



County of Los Angeles CHIEF EXECUTIVE OFFICE

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<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

January 29, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District
MARK RIDLEY-THOMAS
Second District
ZEV YAROSLAVSKY
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

CHIEF EXECUTIVE OFFICE RISK MANAGEMENT ANNUAL REPORT, FISCAL YEAR ENDED JUNE 30, 2012

The attached is the *Chief Executive Office Risk Management Annual Report, Fiscal Year Ended June 30, 2012*, that:

- Contains summaries of the past three fiscal year losses and costs for the County of Los Angeles' (County) vehicle liability, general liability, medical malpractice, and workers' compensation and salary continuation/State of California Labor Code 4850 exposures;
- Will help departments to recognize the nature and extent of their exposures and losses, with other reports provided throughout the year; and
- Will help departments' efforts to strengthen their return-to-work processes, loss control and prevention activities, and corrective action plans.

As contained in the report, the County's Fiscal Year (FY) 2011-12 Cost of Risk was calculated at \$542,060,949, or 2.21 percent of the County's \$24,502,944,000 operating budget.

In FY 2011-12, the County's risk management programs experienced several successes:

- Conducted a Countywide strategic planning event with the sole focus of risk management;
- Implemented a Countywide Absence Management System;
- A nominal increase in the Cost of Risk to 2.21 percent of operating budget in FY 2011-12, compared to 2.10 percent in FY 2010-11;
- A decrease of 4.2 percent in the number of workers' compensation claims filed from FY 2010-11 (11,234) to FY 2011-12 (10,766);
- A decrease of 36.0 percent in vehicle liability expenses from FY 2010-11 (\$16.3 million) to FY 2011-12 (\$10.4 million);

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

- A decrease of 14.1 percent in medical malpractice expenses from FY 2010-11 (\$17.4 million) to FY 2011-12 (\$14.9 million);
- A stable amount of estimated outstanding losses in the County's self-insured workers' compensation program, even though another year of losses was added; and
- A decrease of 18.5 percent in the number of Corrective Action Plans and Summary Corrective Action Plans from FY 2010-11 (119) to FY 2011-12 (97).

Countywide Risk Management Program

Support of risk management activities is essential in reducing the County's Cost of Risk. Commitment towards this endeavor is demonstrated from the Board and Department Heads, as follows:

Board of Supervisors

1. Supporting the on-going efforts of the Legal Exposure Reduction Committee (LERC);
2. Developing corrective action plans;
3. Developing Countywide and departmental legal exposure reduction goals; and
4. Developing mandatory risk management-related performance goals for Department Heads.

Department Heads

1. Embracing risk management-related performance goals;
2. Naming a departmental Risk Management Coordinator;
3. Supporting safety and return-to-work functions; and
4. Requiring staff to take part in workers' compensation and tort liability claim review meetings and roundtables.

Although these commitments contribute to improvements in the Countywide risk management program, continued support from Department Heads will further enhance it. An aggressive and effective loss control and prevention program requires each department to identify their primary Costs of Risk by:

- a. Evaluating business operations;
- b. Completing thorough accident investigations and reviews;
- c. Reviewing loss data; and
- d. Selecting and implementing methodologies to address its identified Costs of Risk.

Early development and implementation of corrective action plans will help reduce the potential for recurrence. The CEO provides support for these efforts by:

- a. Consulting with department staff;
- b. Providing recommendations based on best practices and assisting with their implementation;
- c. Consulting and approving corrective actions plans;
- d. Developing and communicating Countywide corrective action plans;

Each Supervisor
January 29, 2013
Page 3

- e. Providing training about risk management, safety, claims, and return-to-work subjects; and
- f. Distributing monthly tort liability and workers' compensation loss data to each department.

This report represents the combined efforts of the entire CEO Risk Management Branch team. Input and analysis was provided by staff of Loss Control and Prevention, Risk Management Inspector General, Workers' Compensation, Return-to-Work, Claims Management, and Risk Management Operations.

For more information, your staff may contact Steven E. NyBlom, Acting Risk Manager, at (213) 351-5346.

WTF:SEN:sg

Attachment

c: All Department Heads

2011-12 ANNUAL REPORT

Risk Management



COUNTY OF LOS ANGELES



CHIEF EXECUTIVE OFFICE

RISK MANAGEMENT BRANCH

JULY 2011 - JUNE 2012



Board of Supervisors



Gloria Molina
First District



Mark Ridley-Thomas
Second District



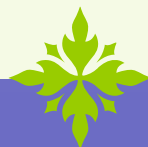
Zev Yaroslavsky
Third District



Don Knabe
Fourth District



Michael D. Antonovich
Fifth District



WILLIAM T FUJIOKA
CHIEF EXECUTIVE OFFICER

Risk Management Branch

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Los Angeles, CA 90010

(213) 351-5346
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This report is available on the Chief Executive Office website at:
<http://ceo.lacounty.gov/>

We are pleased to present the County of Los Angeles Chief Executive Office, Risk Management Annual Report for the fiscal year ending June 30, 2012.



William T. Fujioka
CHIEF EXECUTIVE OFFICER

This report is intended to assist County of Los Angeles (County) management with the assessment of the nature and extent of departmental exposures and losses. The best practices identified in the report are intended to provide suggestions for improving departmental risk management activities to mitigate exposures and losses.

The report also contains summaries of the fiscal year's losses and costs for the County workers' compensation, vehicle liability, general liability, and medical malpractice self-insured programs.

Thank you.

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Introduction

The County of Los Angeles (County) Chief Executive Office (CEO) is pleased to provide its risk management annual report for Fiscal Year (FY) July 1, 2011 through June 30, 2012.

On June 30, 2012, the CEO Risk Management Branch (CEO/RMB) completed its tenth year administering the County's risk management program. Much effort has been directed at establishing the risk management infrastructure necessary for a sustainable program. This infrastructure has been built and includes:

Executive Level Support:

- Board of Supervisors
- Chief Executive Office
- Department Heads
- County Strategic Plan

Accountability:

- Department Head Management Appraisal and Performance Plan Goals
- Corrective Action Plans
- Risk Exposure Cost Avoidance Plans
- Risk Management Overview Presentations to Board Staff at Cluster Meetings

Collaboration:

- Between CEO and County Counsel
- Between CEO and Departments
- Between County Counsel and Departments
- Legal Exposure Reduction Committee
- Roundtable Discussions
- Countywide Corrective Action Plans
- Individual Department Meetings

Communication:

- Best Practices
- Lessons Learned
- Newsletters
- Client Reviews
- Cluster Presentations
- Risk Management Coordinator Meetings

Education and Awareness:

- Risk Management Data
- Trend Analysis
- Training Materials
- Model Programs and Procedures
- Internet and Intranet
- Self-Assessment Tools

The County's Mission Statement is: *To enrich lives through effective and caring service.*

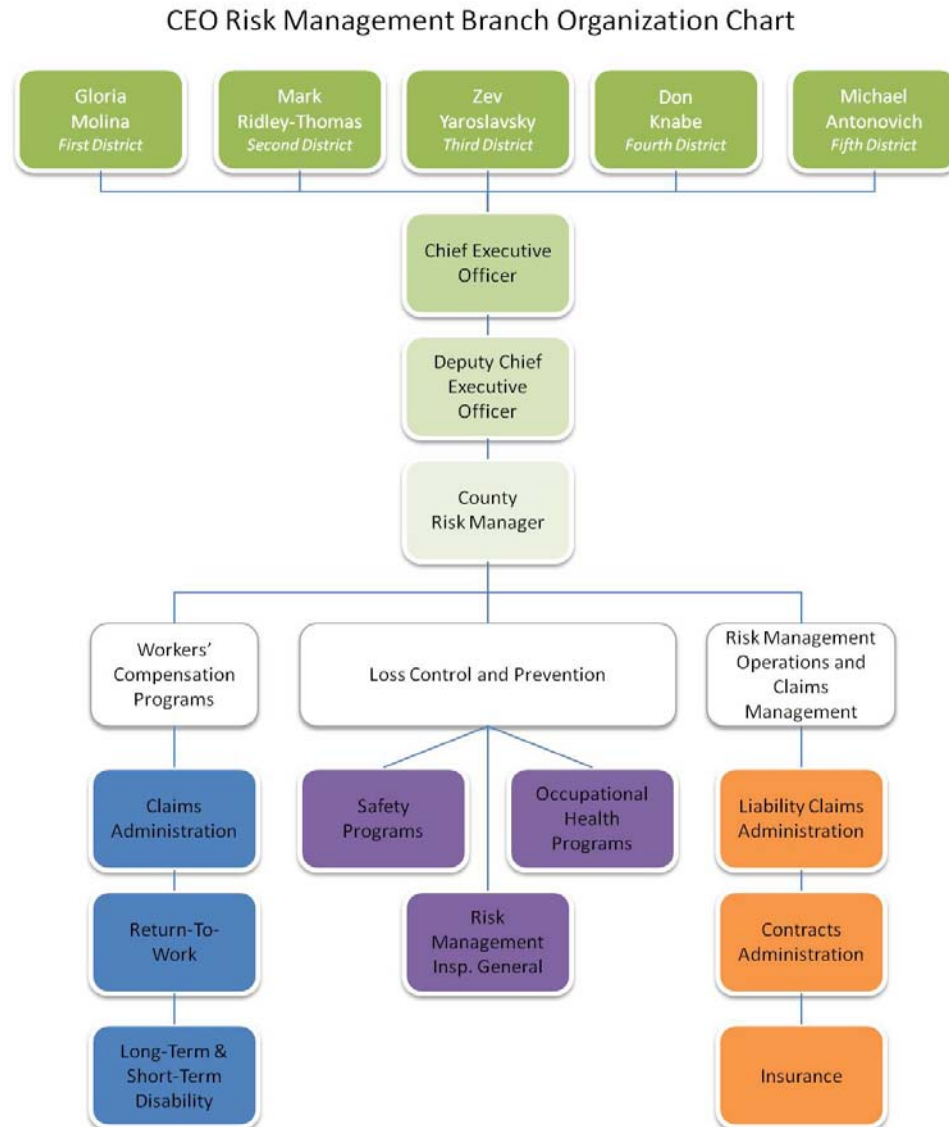
CEO/RMB's Mission Statement is: *To partner with departments to evaluate significant risks, hazards, and exposures associated with the delivery of County services, and to develop and implement risk management methodologies to eliminate, minimize, or fund loss.*

CEO/RMB's Vision Statement is: *To ensure risk is as important a consideration as budget in every decision made at every level of the organization.*

CEO/RMB Staff will strive: *To accomplish the County's mission with direction from the County's Board of Supervisors and CEO senior management, and assistance from County departments and the County's Legal Exposure Reduction Committee.*

CEO/RMB LEADERSHIP

CEO/RMB is led by the County Risk Manager, who presides over the various functional areas.



The CEO/RMB intranet site contains contact information and a wide assortment of resource materials. CEO/RMB staff may be contacted at (213) 351-5346. The intranet site can be accessed at: <http://riskmanagement.mylacounty.info/>.



CEO/RMB'S PRIMARY RISK MANAGEMENT RESPONSIBILITIES BY PROGRAM

WORKERS' COMPENSATION CLAIMS ADMINISTRATION

- Management and financing of the County's Workers' Compensation program;
- Administration of the County's Return-to-Work program; and,
- Administration of the County's Short-Term and Long-Term Disability Plans.

LOSS CONTROL AND PREVENTION

- Loss prevention training, reporting, standards, procedures, and compliance;
- Loss control and industrial hygiene programs;
- In collaboration with County departments, development of mitigation measures for the departmental Risk Management Overview presentations;
- Development of action plans for County departments for leading causes of workers' compensation and general liability claims;
- Administration of the County's Occupational Health Program, including employee medical and psychological programs and the Employee Assistance Program; and,
- Development and approval of Corrective Action Plans and Summary Corrective Action Plans through the Risk Management Inspector General.

RISK MANAGEMENT OPERATIONS AND CLAIMS MANAGEMENT

- Liability Claims Administration;
- Oversight of the Contract Cities and Special Districts Liability Trust Funds;
- Procurement of commercial insurance above self-insured retentions;
- Reviewing, recommending, and counseling on departmental insurance contract language, including indemnification and other County insurance requirements; and,
- Budget forecast for all County departmental liability and commercial insurance costs.

Loss Severity and Frequency Trends

COST OF RISK

During FY 2011-12, the County experienced an increase of 6.6 percent in the Cost of Risk* (\$508.5 million to \$542.1 million). The Cost of Risk, as a percentage of the operating budget, is 2.21 percent.

The County's objective is to minimize its Cost of Risk.

* The Cost of Risk is a ratio of the expenditures for the County's numerous risk management programs divided by the County's operating budget in a specific fiscal year. The effectiveness of the County's risk management programs can be reflected in this comparison since the Cost of Risk includes paid claims (amounts paid in the fiscal year without regard to the year the claims arose), insurance premiums, safety and loss control programs, and operational and administrative expense.

Detailed information is listed in the "Statistics" section of this report regarding the number of claims and expenses for each of the last three fiscal years, by department, for workers' compensation, State of California Labor Code 4850 and salary continuation, vehicle liability, general liability (including employment practices liability and police liability/law enforcement), and medical malpractice.

Based on the nature and scope of County operations, County departments will always be susceptible to large claims that significantly impact expenses. The results of FY 2011-12 clearly illustrate this susceptibility; ten claims accounted for 34.5 percent of all general liability expenses. Minimizing the total number of claims often minimizes the number of large claims; therefore, implementing risk management best practices to reduce the frequency of claims is as important as properly handling claims once claims are filed.

The Cost of Risk Detail chart follows on Page 5.

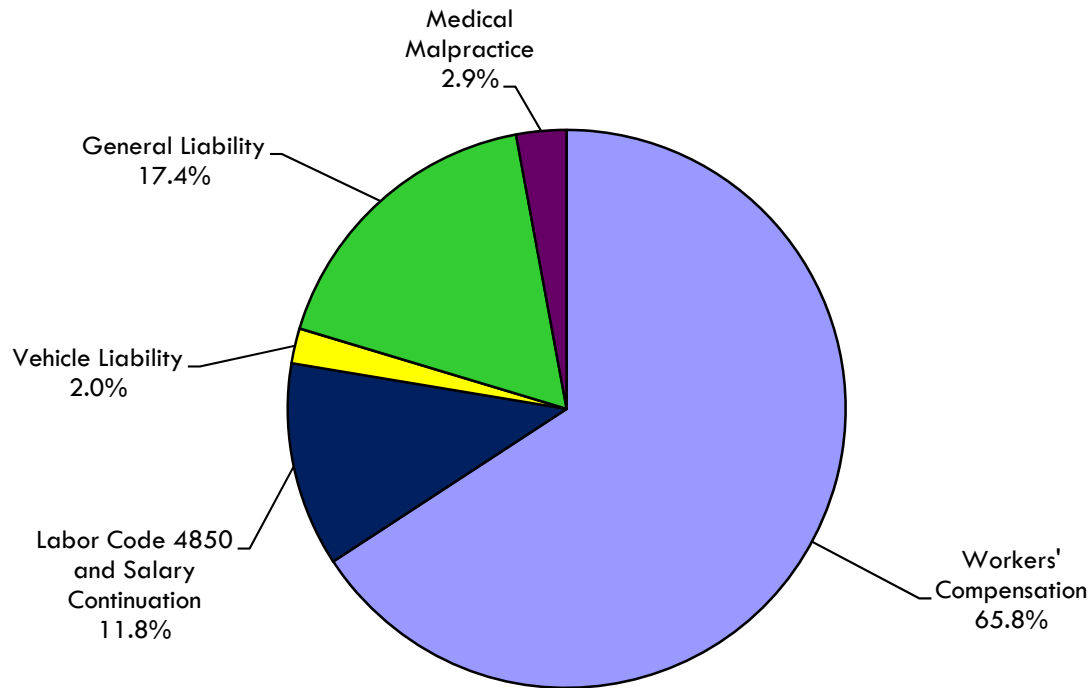
COST OF RISK DETAIL

	FY 2009-10	FY 2010-11	FY 2011-12
Workers' Compensation			
Benefit Expense	\$225,376,425	\$236,699,599	\$256,346,731
Loss Expense ¹	\$62,184,520	\$66,143,020	\$69,317,099
Administrative Expense ²	\$10,577,516	\$11,219,661	\$11,605,112
Workers' Compensation Expense Subtotal	\$298,138,461	\$314,062,280	\$337,268,942
Labor Code 4850 / Salary Continuation	\$57,903,637	\$60,120,620	\$60,688,906
Workers' Compensation Expense Total	\$356,042,098	\$374,182,900	\$397,957,848
Liability^{3, 4}			
Vehicle Liability Indemnity Expense	\$11,979,162	\$13,015,904	\$6,151,991
General Liability Indemnity Expense	\$22,507,812	\$33,680,285	\$47,232,333
Medical Malpractice Indemnity Expense	\$12,210,967	\$13,910,110	\$12,675,953
Liability Indemnity Expense Subtotal	\$46,697,941	\$60,606,298	\$66,060,277
Vehicle Liability Legal Expense	\$2,769,829	\$3,244,323	\$4,251,950
General Liability Legal Expense	\$39,781,835	\$38,960,191	\$42,175,124
Medical Malpractice Legal Expense	\$3,979,675	\$3,452,244	\$2,240,390
Liability Legal Expense Subtotal	\$46,531,339	\$45,656,757	\$48,667,464
Liability Administrative Expense ⁵	\$11,919,734	\$11,432,011	\$12,065,712
Liability Expense Total	\$105,149,014	\$117,695,067	\$126,793,453
Purchased Insurance (premiums and fees)	\$16,419,286	\$16,641,267	\$17,309,648
Cost of Risk^{6, 7}	\$477,610,398	\$508,519,234	\$542,060,949
Total County Operating Budget	\$23,900,864,000	\$24,180,195,000	\$24,502,944,000
Cost of Risk (as percentage of County Operating Budget)	2.00%	2.10%	2.21%

1. Loss Expense includes third party administrator fees, medical management fees, bill review fees, State User fee, etc.
2. Administrative Expense includes CEO, Auditor-Controller, and County Counsel expenses.
3. Paid claims represents the amount paid for all indemnity (pay type OC) in the fiscal year regardless of occurrence date and does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (IBNR) reserves. Legal Expenses are defined in liability files as all fees and expenses paid from the liability claim (pay type SS).
4. Liability claim information included in this report is: (1) claims coded as Vehicle Liability (AL), General Liability (GL), and Medical Malpractice (MM); but, (2) information excludes Metropolitan Transportation Authority, Metrolink, departments not listed in Exhibit A, Children Services dependency cases, and probate funding accounts.
5. Liability Administrative Expense includes third party administrator fees, consulting and management fees, and CEO expenses.
6. The Cost of Risk is defined as the summation of the items listed, but does not include non-insured property claims and property damage to County-owned vehicles.
7. All amounts are paid as of June 30, 2012, as reported in the County's liability claim database, workers' compensation information system (GenIRIS), and/or the Workers' Compensation Status Report.

The graph below illustrates that workers' compensation (including administrative, Labor Code 4850, and salary continuation expenses) accounts for three quarters of the cost of risk. For FY 2011-12, this represents almost \$398 million. The graph on the next page further demonstrates the impact of workers' compensation on the total risk management program, showing that workers' compensation accounts for over two thirds of all claims.

**PERCENTAGE OF TOTAL COST PAID BY CLAIM TYPE
FY 2011-12**



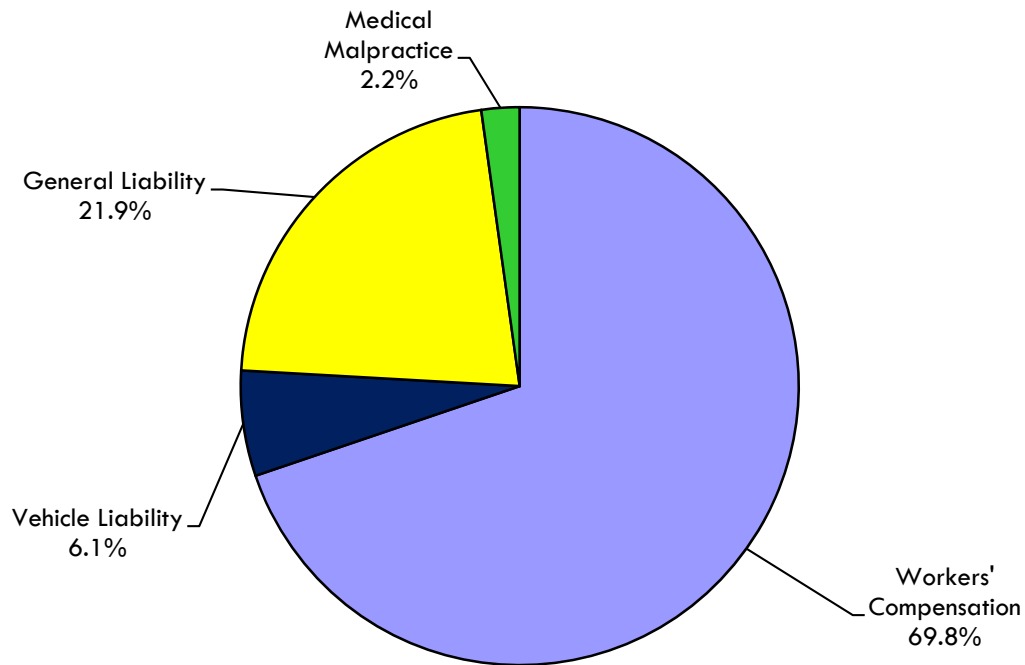
**CLAIM SEVERITY (TOTAL COST PAID) – ALL CLAIMS^{1,2,3}
FY 2009-10 THROUGH FY 2011-12**

Fiscal Year	FY 2009-10	FY 2010-11	FY 2011-12
Workers' Compensation ⁴	\$298,138,460	\$314,062,280	\$337,268,942
Labor Code 4850 and Salary Continuation	\$57,903,637	\$60,120,620	\$60,688,906
Vehicle Liability	\$14,748,991	\$16,260,226	\$10,403,941
General Liability	\$62,289,647	\$72,640,476	\$89,407,457
Medical Malpractice	\$16,190,642	\$17,362,354	\$14,916,343
TOTAL	\$449,271,377	\$480,445,956	\$512,685,589

Notes:

1. Data does not include unemployment costs.
2. Data includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort claims.
3. Amount Paid is the total of the transactions paid by coverage code in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of occurrence date; does not include RBNP or IBNR reserves.
4. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments, which are shown separately.

CLAIM FREQUENCY BY CLAIM TYPE FY 2011-12



CLAIM FREQUENCY (TOTAL NUMBER OF CLAIMS FILED) BY CLAIM TYPE FY 2009-10 THROUGH FY 2011-12

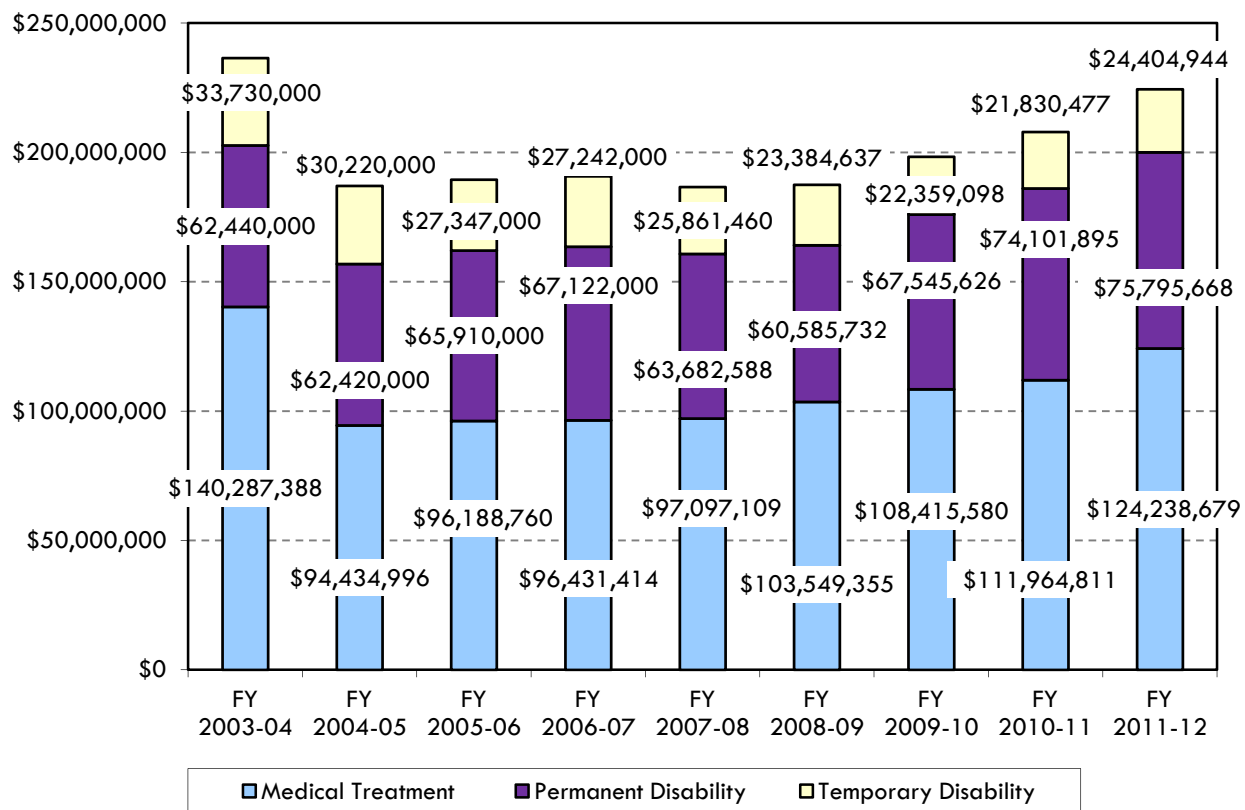
Claim Type ^{1,2}	FY 2009-10	FY 2010-11	FY 2011-12
Vehicle Liability	942	973	942
General Liability	4,207	4,077	3,380
Medical Malpractice	255	287	335
Workers' Compensation	10,629	11,234	10,766
TOTAL	16,033	16,571	15,423

1. Total number of claims filed by fiscal year regardless of date of occurrence; count includes all suffixes.
2. Includes County Counsel tort claims, but not agencies that are not County departments, i.e., MTA, Foothill Transit, etc.

WORKERS' COMPENSATION PROGRAM

CLAIM COSTS

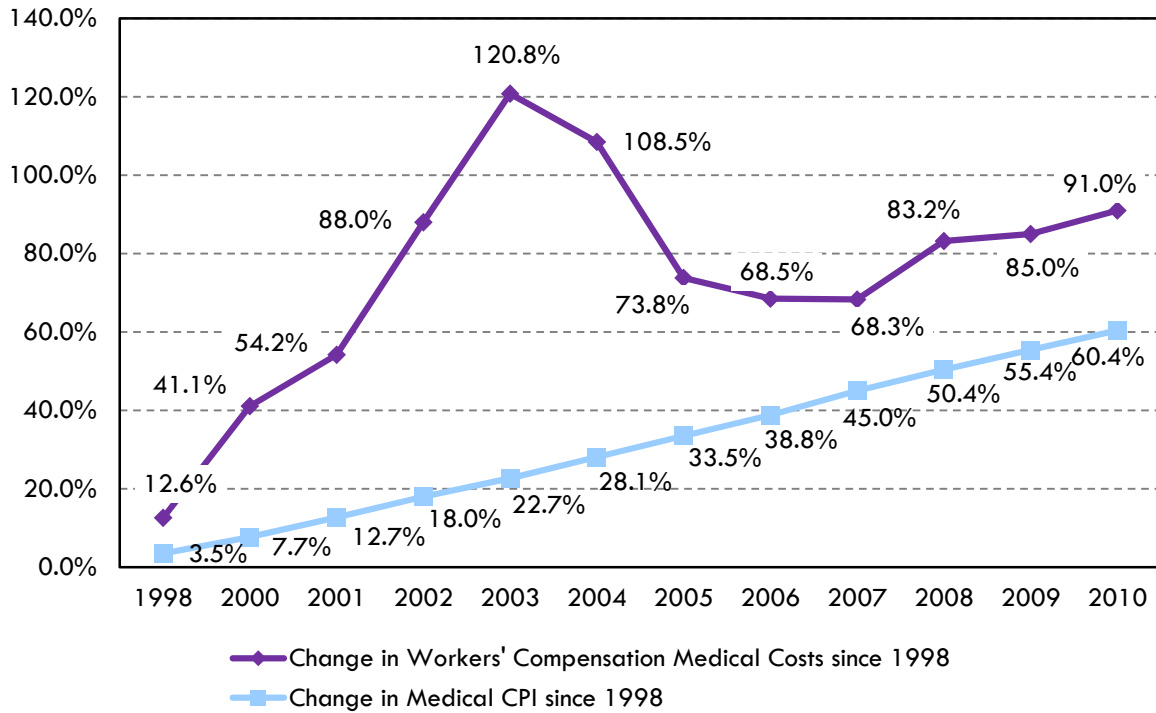
The County's self-insured workers' compensation expenses (excluding Labor Code 4850 and workers' compensation salary continuation benefits) increased by 7.4 percent in FY 2011-12 (\$314.1 million to \$337.3 million). This increase was attributed, in part, to increases in medical, permanent disability, and temporary disability expenses. Medical treatment payouts increased 11.0 percent from FY 2010-11 to FY 2011-12 (\$112.0 million to \$124.2 million). Permanent disability payouts increased 2.3 percent from FY 2010-11 to FY 2011-12 (\$74.1 million to \$75.8 million). Temporary disability payouts increased 11.8 percent from FY 2010-11 to FY 2011-12 (\$21.8 million to \$24.4 million).



MEDICAL PAYMENTS

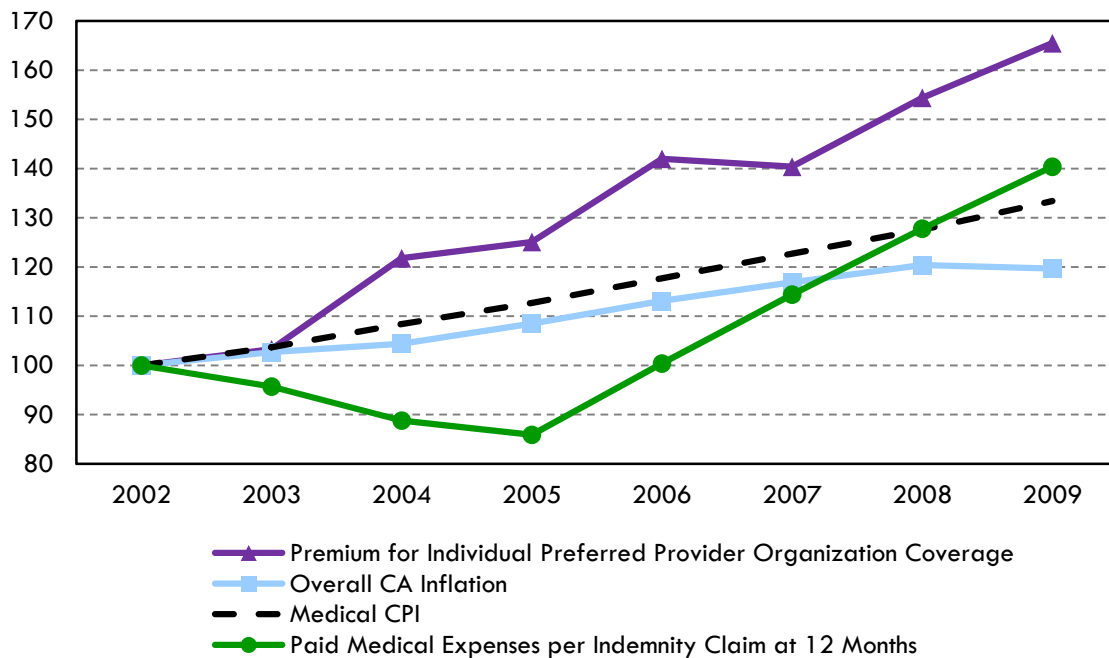
The increase in workers' compensation medical expenses is indicative of the Statewide trend of increasing medical expenses following the period of significant reduction attributed to the 2004 workers' compensation reforms. As illustrated in the following chart, California workers' compensation medical cost inflation generally exceeds that of the medical component of the Consumer Price Index (CPI) and represents a significant cost driver.

WORKERS' COMPENSATION MEDICAL EXPENSES VS. MEDICAL INFLATION SINCE 1998



SOURCE: Commission on Health and Safety and Workers' Compensation – Data Source: WCIRB; Bureau of Labor Statistics

CUMULATIVE GROWTH IN PAID MEDICAL EXPENSES PER INDEMNITY CLAIM AT 12 MONTHS



SOURCE: Commission on Health and Safety and Workers' Compensation – Data Source: RAND

In a March 2012 report to the industry, the California Workers' Compensation Institute (CWCI) analyzed Office of Self-Insured Plans (OSIP) data. That data, provided by self-insured public agencies under annual reporting requirements, pointed to significant increases in the paid and incurred workers' compensation expenses across various valuation periods when compared to the post-reform low in FY 2005-06. For example, CWCI found that in FY 2010-11, average medical payouts at the first valuation period (first 12 months of a claim) were \$1,474 compared to FY 2005-06 average medical payouts of \$1,073 for the same valuation period, a 37.4 percent increase. The OSIP data points to a continuing erosion of the 2004 reforms.

PERMANENT DISABILITY PAYMENTS

As noted in last year's County Risk Management Annual Report, permanent disability payouts increased due to statutory weekly benefit rate increases impacting newer claims and application of the *Benson* decision. Due to the progressive nature of the permanent disability schedule, permanent disability benefit payouts increase exponentially as the permanent disability rating increases. Under *Benson*, disabilities arising from two separate injuries are no longer combined to result in a single higher permanent disability rating. *Benson* will dampen ultimate permanent disability expense increases over the long term; however, in the short term, it produces two streams of permanent disability benefit payments, increasing current annual permanent disability expenses.

CEO/RMB believes the minimal increase in FY 2011-12 permanent disability payouts reflect the impact of *Benson* and the application of the 2005 revised permanent disability rating schedule. Caution should be used when predicting permanent disability payout trends as the purpose of recently enacted workers' compensation reforms (SB 863 [De Leon]) was to substantially increase permanent disability benefits for injured workers. Those benefit increases go into effect for injuries on or after January 1, 2013, with an additional increase for injuries on or after January 1, 2014. Based on information currently available, CEO/RMB believes the ultimate impact of SB 863 will be a 30 to 40 percent increase in overall permanent disability benefits.

TEMPORARY DISABILITY AND SALARY CONTINUATION PAYMENTS

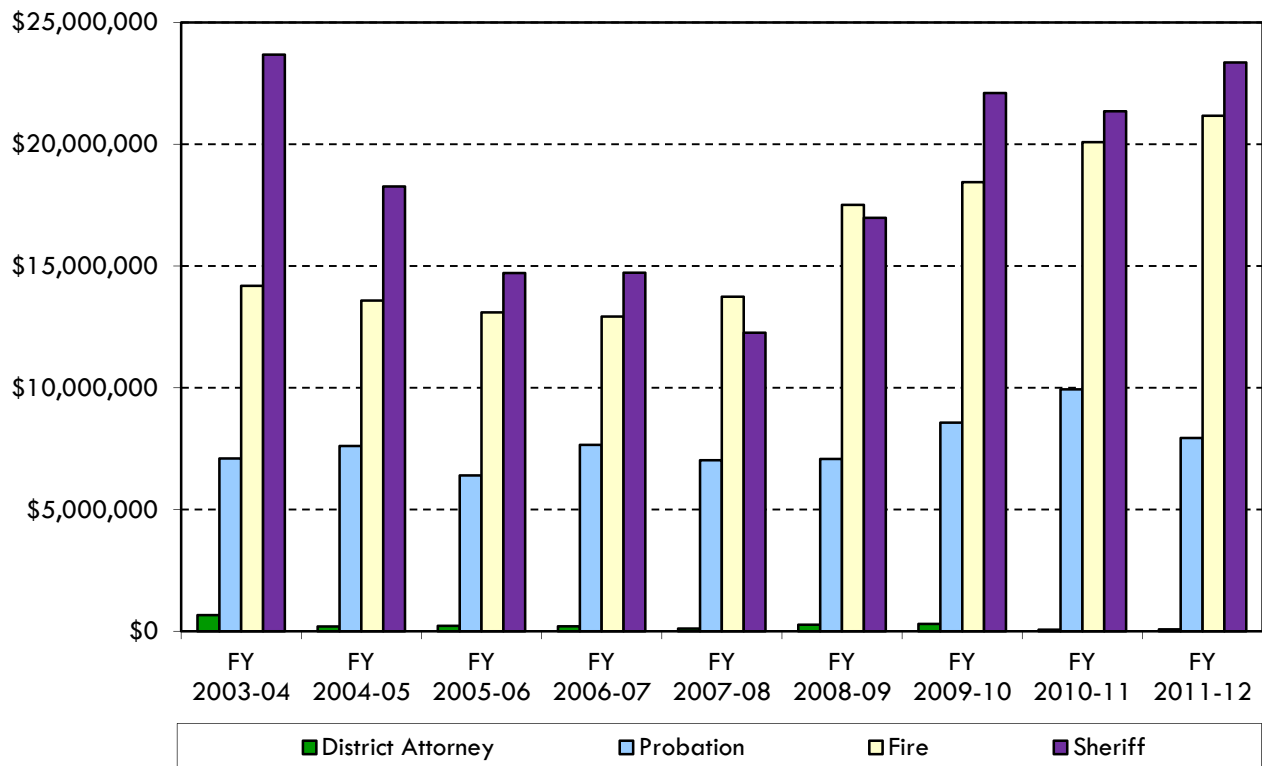
Though the \$24.4 million temporary disability payouts experienced in FY 2011-12 are significantly lower than the pre-reform (2004) \$33.7 million paid in FY 2003-04, it represents the first increase in eight years. The increase is not entirely unexpected as the Commission of Health and Safety and Workers' Compensation's 2011 Annual Report reflected a Systemwide increase of temporary disability payouts from 2009 to 2010.

State of California Labor Code 4850 and County workers' compensation salary continuation expenses remained stable with an increase of 0.9 percent (\$60.1 million to \$60.7 million). Fire, Probation, and Sheriff account for almost 90 percent of these expenses. Increases in expenses for Fire (+6.7%) and Sheriff (+9.6%) were partially offset by a significant decrease for Probation (-19.9%).

STATE LABOR CODE 4850 EXPENSE BY FISCAL YEAR
FY 2002-03 THROUGH FY 2011-12
(Excludes Salary Continuation)

FISCAL YEAR	DISTRICT ATTORNEY	PROBATION	FIRE	SHERIFF
FY 2002-03	\$574,541	\$8,207,591	\$16,054,957	\$23,354,324
FY 2003-04	\$662,894	\$7,097,038	\$14,186,108	\$23,679,518
FY 2004-05	\$198,966	\$7,608,916	\$13,579,058	\$18,265,576
FY 2005-06	\$220,551	\$6,398,513	\$13,094,365	\$14,708,341
FY 2006-07	\$200,144	\$7,656,312	\$12,922,178	\$14,723,400
FY 2007-08	\$109,827	\$7,020,446	\$13,736,306	\$12,260,601
FY 2008-09	\$265,920	\$7,073,880	\$17,510,889	\$16,979,878
FY 2009-10	\$299,346	\$8,569,127	\$18,443,689	\$22,099,137
FY 2010-11	\$68,396	\$9,931,160	\$20,087,615	\$21,352,221
FY 2011-12	\$79,503	\$7,937,737	\$21,171,873	\$23,359,402
TOTAL	\$2,680,088	\$77,500,720	\$160,787,038	\$190,782,398

SOURCE: Auditor-Controller, based on 100% Industrial Accident (IA) Earnings.



SOURCE: Auditor-Controller, based on 100% IA Earnings.

ACTUARIAL INFORMATION

Funded on a pay-as-you-go basis, the County workers' compensation program maintains obligations on claims filed many years ago. Such obligations are defined under workers' compensation statutes and may be affected by the aging demographic of the claim population (an analysis of all County open workers' compensation claims finds the current mean age of claimants is 53). Over the last three fiscal years, approximately 24 percent of allocated paid losses (excluding Labor Code 4850 and salary continuation) were paid on workers' compensation claims that were 11 years or older.

CEO/RMB contracts for actuarial services to assess outstanding workers' compensation losses. The estimated outstanding losses are the expenses associated with unpaid claims as of a specific valuation date. Estimated outstanding losses include case reserves, development of known claims, and incurred but not reported claims.

WORKERS' COMPENSATION ACTUARIAL STUDIES – ESTIMATED OUTSTANDING LOSSES

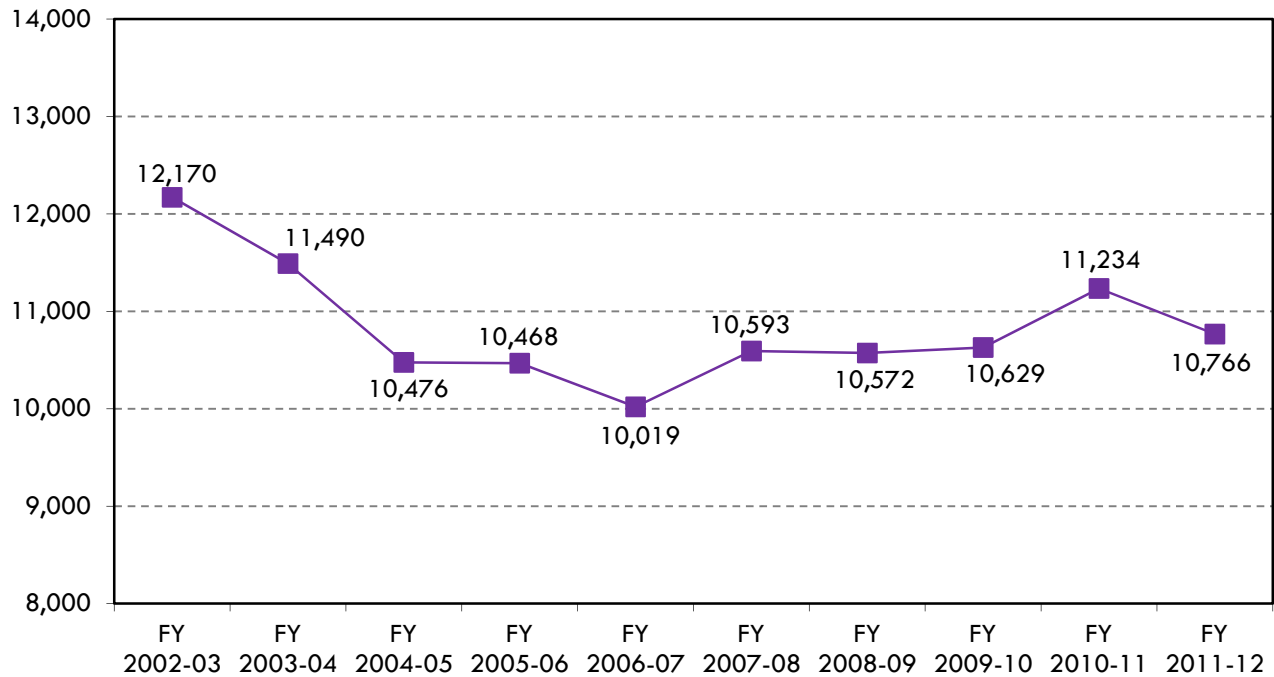
AS OF DATE	ESTIMATED OUTSTANDING LOSSES
JUNE 30, 2004	\$2,627,884,540
JUNE 30, 2005	\$2,556,222,203
JUNE 30, 2006	\$2,435,203,729
JUNE 30, 2007	\$2,262,596,742
JUNE 30, 2008	\$2,176,317,242
JUNE 30, 2009	\$2,114,997,381
JUNE 30, 2010	(Actuarial Study Not Requested)
JUNE 30, 2011	\$2,069,787,555
JUNE 30, 2012	\$2,078,461,237

The *Actuarial Study of the Self-Insured Workers' Compensation Program as of June 30, 2012*, performed by AON Risk Solutions, notes: "For 2009/10 and 2010/11, actual loss experience was greater than anticipated in the prior actuarial study for both paid and incurred losses... However, for older years, actual loss experience was generally lower than expected." As demonstrated in the chart above, the County's estimated outstanding losses for workers' compensation decreased approximately \$549 million when comparing the valuation dates June 30, 2004 and June 30, 2012. The decrease in estimated outstanding losses occurred even though eight years of additional workers' compensation losses were incurred.

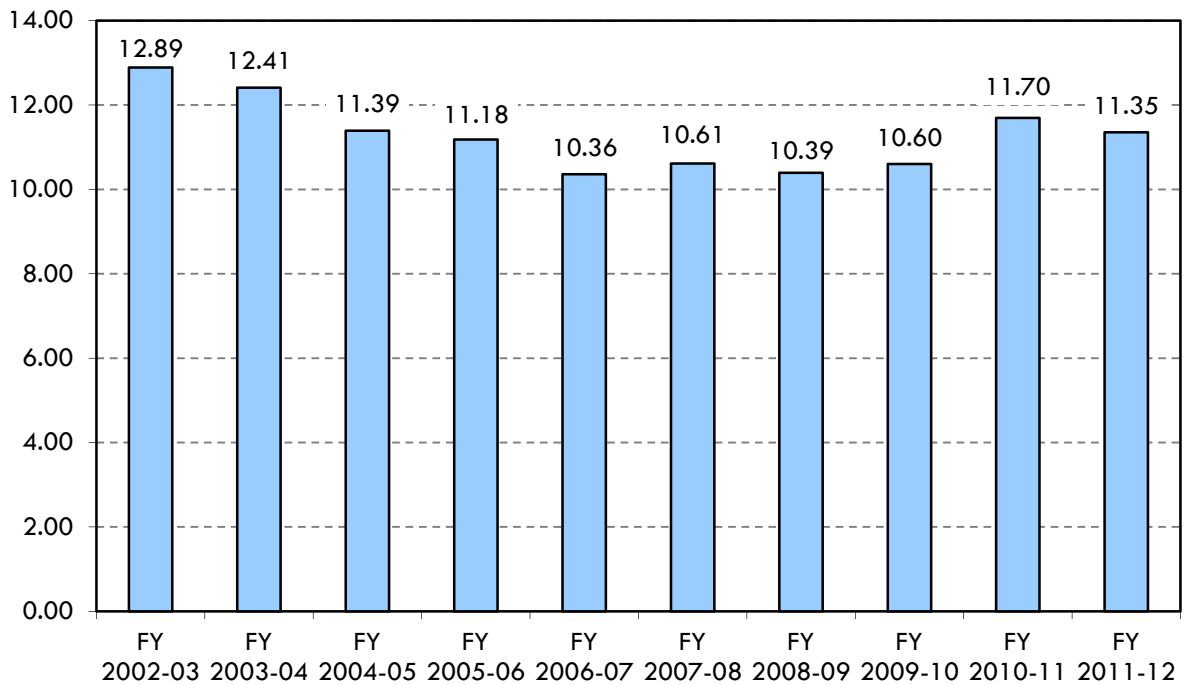
CLAIM FREQUENCY

In FY 2011-12, the number of workers' compensation claims filed decreased 4.2 percent (11,234 to 10,766), and the number of claims per 100 employees decreased 3.0 percent (11.70 to 11.35), as compared to FY 2010-11.

**NUMBER OF WORKERS' COMPENSATION CLAIMS
FY 2003-04 THROUGH FY 2011-12**



**WORKERS' COMPENSATION CLAIMS PER 100 EMPLOYEES¹
FY 2002-03 THROUGH FY 2011-12**



Note: Employee count is based on payroll reports as of December 31 for each fiscal year.

CAUSES OF INCIDENTS

Overexertion

Departments with the most cases include: Sheriff (39.1%), Health Services (18.8%), Public Social Services (13.3%), and Fire (8.0%). This includes lifting, carrying, or pushing/pulling objects.

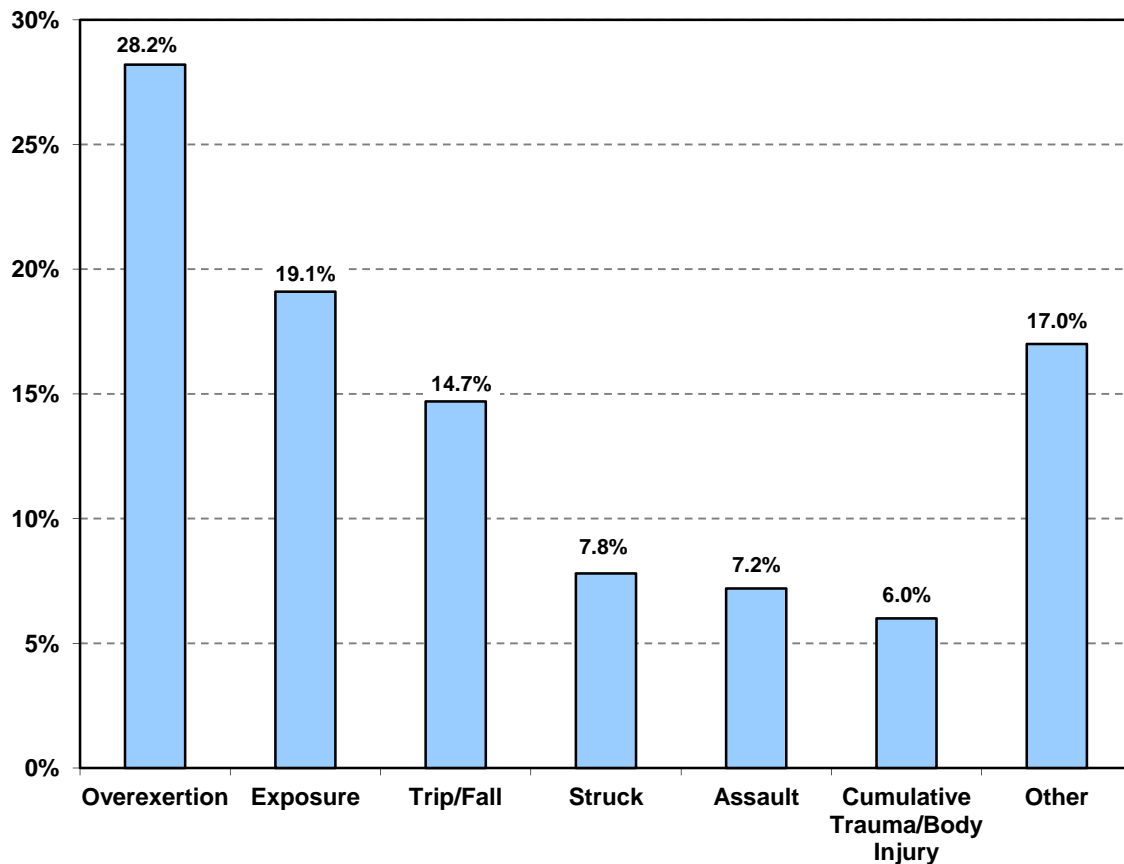
Exposure

Departments with the most exposure cases include: Fire (36.9%) and Sheriff (29.8%). This category includes dermatitis, exposure to asbestos, hot or cold substances, chemicals, MRSA, noisy conditions, and sun (skin cancer).

Trip/Fall

Departments with the most trip/fall cases include: Sheriff (27.6%), Health Services (17.5%), Public Social Services (15.0%), and Probation (8.5%). This includes falling down stairs, falling from a chair, ladder or roof, and slips/falls in parking lots, sidewalks, and hallways.

CAUSES OF WORKERS' COMPENSATION CLAIMS FY 2011-12



Assault

Departments with the majority of assaults include: Sheriff (66.0%), Probation (26.6%), and Health Services (4.4%). This is expected given the nature of the exposures in these departments.

Struck By/Against

Leading departments include: Sheriff (28.3%), Health Services (15.0%), and Probation (10.6%).

Other

This category includes all other causes including, but not limited to, cumulative trauma, cardiovascular, caught in/between, and transportation.

DEPARTMENTAL ANALYSIS

Six departments account for over 80 percent of all claim frequency: Sheriff (36.6%), Health Services (13.3%), Fire (12.3%), Public Social Services (9.4%), Probation (6.7%), and Children and Family Services (3.6%).

TYPE OF WORKERS' COMPENSATION CLAIMS BY DEPARTMENT

Type of Claim	Sheriff	Health Services	Fire	Public Social Services	Probation	Children and Family Services
Assault	13.0%	2.4%	0.1%	0.8%	28.5%	0.8%
Cumulative Trauma/Body Injury	4.5%	2.4%	7.0%	5.6%	6.5%	7.3%
Exposure	15.5%	5.4%	57.2%	7.3%	7.4%	8.3%
Fall	11.1%	19.3%	4.5%	23.5%	18.6%	20.6%
Overexertion	30.2%	39.9%	18.2%	39.7%	16.8%	27.6%
Struck	6.1%	8.8%	5.5%	8.8%	9.2%	15.6%
Other	19.6%	21.8%	7.5%	14.3%	13.0%	19.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Sheriff

Sheriff's Department employees work in arduous and dynamic environments encompassing varied areas of risk exposure, including law enforcement, emergency response, building trades, and administrative functions. Based on these risk exposures, injuries resulting from overexertion would be expected as a result of lifting, pushing, and pulling varied items and equipment. In addition, injuries resulting from law enforcement activities would be expected to increase claim frequency. Exposure to infectious disease is also a significant issue that leads to claim frequency. The department has identified individuals in each of its Bureaus to serve as Safety Officers, and has provided training on their additional duties. These individuals serve as an extension of the department's designated Safety Officer, and assist in implementation of the various safety and health related programs throughout the department.

Health Services

Department of Health Services' employees are exposed to a variety of hazards, including patient handling, slips, falls, and exposure to chemicals. As part of the department's drive for continuous improvement, an Ad Hoc Committee was formed to analyze/address underlying exposures related to patient handling and aid in the transition to assistive patient lift devices. The Committee is currently working to finalize an equipment needs assessment for all acute care facilities and will work to develop and implement an enterprise training program related to patient lifting once the assessment has been completed and assistive lifting devices acquired. Furthermore, slip, trip, and fall issues are actively addressed through regular inspection protocols and awareness training.

Fire

Fire Department employees often work in volatile environments with consistently arduous physical demands and a myriad of potentially hazardous exposures. In the most recent year, department staff responded to roughly 7,500 fire incidences, provided medical services on over 200,000 calls, provided technical aid to another near 300,000 emergency situations, and made over 8,000 ocean rescues. In the course and scope of providing these critical emergency response services, injuries would be expected from overexertion and exposure to toxic environmental elements. Controls for these types of injuries include training and education, and a wellness program designed to promote physical health.

Public Social Services

While the Department of Public Social Services (DPSS) employee count is nearly double that of the next largest social service department, the DPSS workers' compensation claim report rate is between other departments in the same operational cluster and is not the highest in that comparable group of departments. Key safety program elements include data trend analysis, targeted efforts regarding the most common types of claims, facility inspection programs, and ergonomics.

Probation

The Probation Department is another department that has inherent risks based on operations. The leading types of losses have been identified and mitigation efforts have been implemented. A Safe Crisis Management Subcommittee has been implemented to address the assault exposure. Slip, trip, and fall prevention training has been provided for all staff. Overexertion includes a variety of claims which are being addressed through training, ergonomic evaluations, and the department office ergonomics subcommittee.

Children and Family Services

The workers' compensation claim rate for the Department of Children and Family Services is lower than the Countywide average and low relative to the other social service departments. Key safety program elements include claim reviews, reviews of risk management goals, evaluations of the effectiveness of mitigation measures, implementation of a departmental safety committee and wellness program, injury and illness prevention training, accident investigation training, facility inspection programs, and ergonomics.

LIABILITY PROGRAMS

VEHICLE LIABILITY

The County's vehicle liability expenses decreased 36.0 percent for FY 2011-12, as compared to FY 2010-11. In the prior two fiscal years, there were two cases each year with expenses of \$3 to \$5 million. There were no claims of this magnitude in FY 2011-12. Claim frequency decreased by 3.2 percent.

Vehicle liability represents 2.0 percent of the County's Total Cost of Risk.

MEDICAL MALPRACTICE

The County's medical malpractice liability expenses decreased 14.1 percent for FY 2011-12, as compared to FY 2010-11. This is the lowest amount since FY 2003-04.

Medical malpractice represents 2.9 percent of the County's Total Cost of Risk.

GENERAL LIABILITY

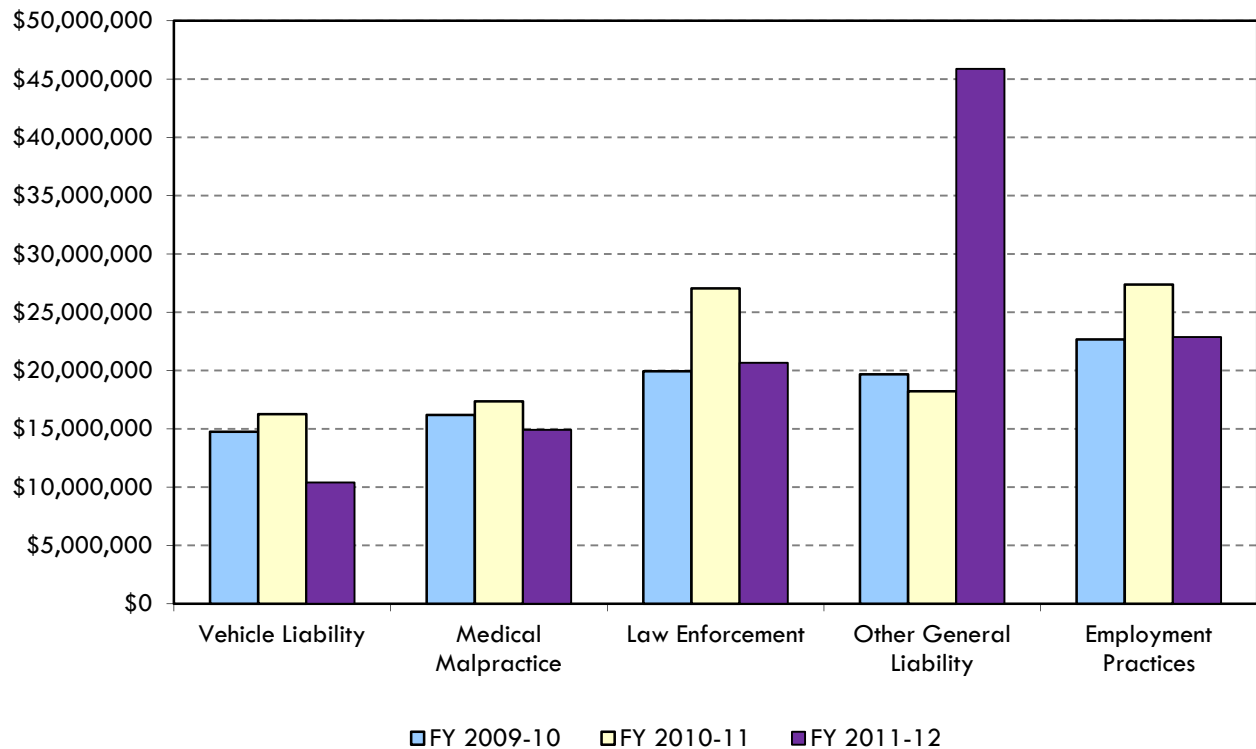
The County's general liability expenses increased 23.1 percent for FY 2011-12, as compared to FY 2010-11. The primary reason is related to expenses paid on an old insurance claim (almost \$8 million included in the Chief Executive Office column) and three large Public Works cases (almost \$12 million). General liability includes several categories of liabilities, including cases emanating from the Sheriff such as excessive force, wrongful death, and illegal strip searches. This area of liability also includes employment practices, dangerous road conditions, and cases against the Department of Children and Family Services such as wrongful detentions and removals.

Law enforcement liability expenses decreased 23.6 percent for FY 2011-12, as compared to FY 2010-11.

Even though employment practices liability expenses decreased by 16.4 percent for FY 2011-12, as compared to FY 2010-11, these expenses continued to be impacted by *Susan Bouman vs. Peter Pitchess and the County of Los Angeles*. This case started in 1978 and a consent decree has been in effect since 1993. This case has now been concluded, but there were still \$3.8 million in expenses in FY 2011-12.

General liability represents 17.4 percent of the County's Total Cost of Risk.

**TORT LIABILITY COST BY CLAIM TYPE
FY 2009-10 THROUGH FY 2011-12**



LIABILITY CLAIMS MANAGEMENT

The position of CEO/RMB is a support role in the administration of claims and lawsuits filed against the County. County Counsel is the department that controls liability claims intake, legal assignments to defense firms, and approves settlements between \$10,000 and \$20,000. CEO/RMB oversees the settlement of low value claims and works with the third party administrators to attempt to settle legitimate and reasonable claims as early as possible to avoid the additional costs of litigation.

COUNTY OF LOS ANGELES CLAIMS BOARD

Cases involving settlements between \$20,000 and \$100,000 require the approval of the County Claims Board. In the Claims Board meetings, representatives from departments, CEO, County Counsel, and outside counsel present justifications for the proposed settlement amount and review corrective action steps designed to prevent recurrences. For claims with settlement amounts greater than \$100,000, the Claims Board refers such settlements, with a recommendation, to the Board of Supervisors for final action. The Claims Board has three (3) appointed members from the CEO, County Counsel, and Auditor-Controller. The County Risk Manager is the CEO member of the Claims Board, but the Loss Control and Prevention Manager, Operations Manager, and Risk Management Inspector General are also actively engaged in reviewing and evaluating settlements.

RISK MANAGEMENT INSPECTOR GENERAL - CORRECTIVE ACTION PLANS/ SUMMARY CORRECTIVE ACTION PLANS

As established by the Board of Supervisors:

- All County Department Heads must include a Summary Corrective Action Plan (SCAP) signed by the CEO Risk Management Inspector General (RMIG) as part of any claims settlement letter forwarded to the Claims Board.
- All County Department Heads must include a SCAP signed by the CEO RMIG and a Corrective Action Plan (CAP) as part of any claims settlement letter forwarded to the Board of Supervisors.

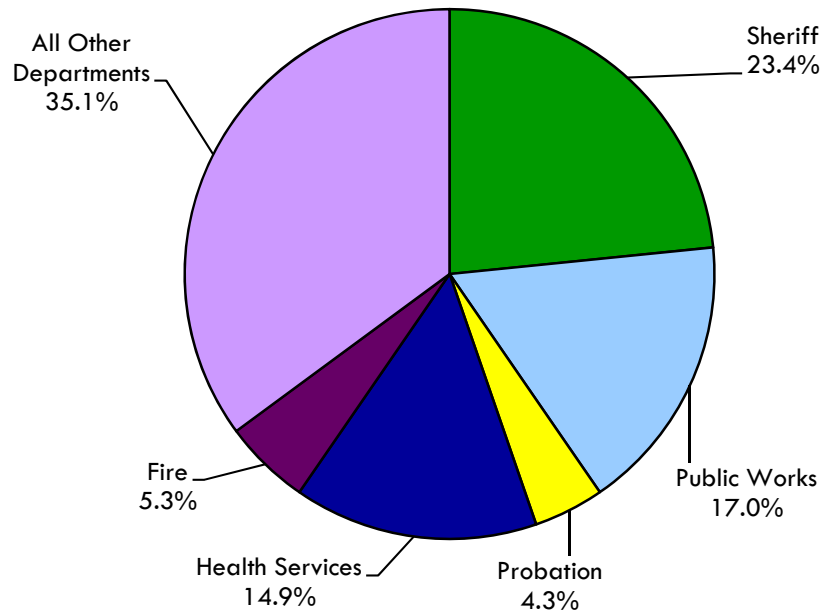
Accordingly, the RMIG manages CAPs and SCAPs through the following process:

- Conducts a detailed analysis of incident reports, claims, significant incidents, and adverse events, including monitoring adverse verdicts and items reported in the press;
- Attends County Claims Board meetings, roundtables, and claim reviews;
- Consults with departments and assists them in developing CAPs and SCAPs as soon as practicable;
- Assists in expediting claim settlements by pre-approving all CAPs and SCAPs prior to submission to the Claims Board and/or Board of Supervisors;
- Escalates requests for CAP/SCAP information through department management and the Board of Supervisors, if necessary, if information provided is not thorough or timely.

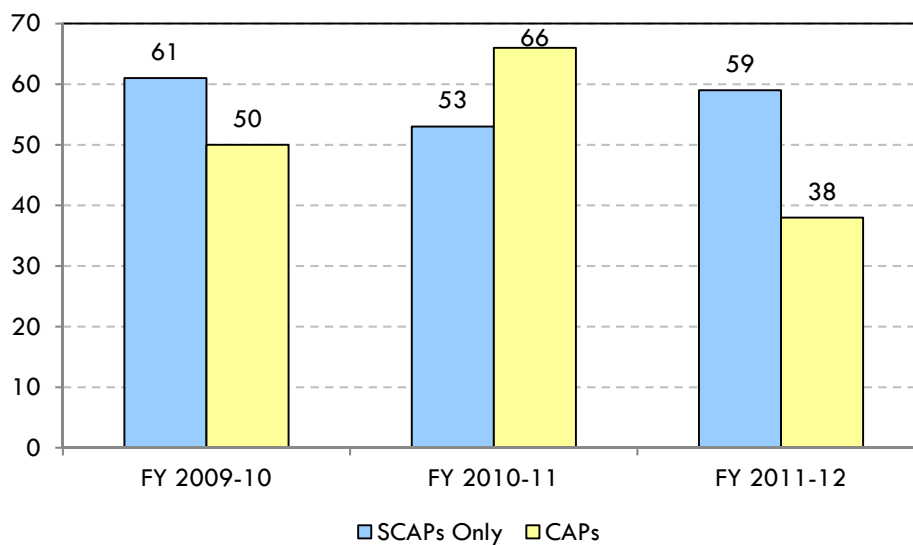
RMIG also participates in all cluster meetings which involve in-depth discussions of CAPs and case facts, and at which Board Deputies, departments, County Counsel, and CEO attend. The purpose of these meetings is to brief the Board Deputies on all relevant information so they can brief their Supervisors before final Board approval is sought for a case.

Many of the CAPs and SCAPs are generated by a small number of departments, as illustrated in the chart that follows.

CAPs AND SCAPs APPROVED DURING FY 2011-12 BY DEPARTMENT



CAPs AND SCAPs APPROVED BY FISCAL YEAR



As part of best practices to prevent similar losses from occurring in the same department, or in a different department with similar exposures, RMIG both publishes and presents Applicability Notices on a quarterly basis. The Applicability Notices are summary level documents that describe the incident, the root cause analysis of why it occurred, and the CAP steps for correcting the root cause(s) and preventing a repeat incident. Presentations are held at the Risk Management Coordinators quarterly meetings and notices are published on the CEO/RMB intranet site.

- For FY 2011-12, there were a total of 55 applicability notices;
- Thirty-Seven (37) were Employment Practices Liability cases, representing total settlement costs of \$4,473,771;
- Fifteen (15) were Automobile Liability cases, representing total settlement costs of \$2,552,044;
- Three (3) were General Liability cases, representing total settlement costs of \$277,500.

COUNTYWIDE CORRECTIVE ACTIONS

Countywide Corrective Action Plans are collaborations between RMIG, County Counsel, Human Resources, Auditor-Controller, and CEO. They address claims and corrective actions with Countywide impact, and are communicated across the organization with the purpose of educating departments and preventing similar losses. These CAPs have typically arisen from high impact/high severity claims in far reaching areas such as employment practices liability and wage and hour issues. All claims and CAPs, however, are evaluated for Countywide potential, and escalated as appropriate. RMIG has developed a formal Countywide CAP process and form which will be used for all Countywide CAP-related issues starting in January 2013.

Significant Accomplishments FY 2011-12

LEGAL EXPOSURE REDUCTION COMMITTEE

The Legal Exposure Reduction Committee (LERC) has become the place for departments to share best practices and identify new solutions to common risk-related problems. LERC is also the vehicle for advancing the County's Strategic Plan relative to the Risk Management Initiative focused on reducing the cost of workers' compensation and return-to-work programs, vehicle liability, and employment practices liability.

LERC met seven times during FY 2011-12. Some of the items discussed included:

- Status updates from the following subcommittees:
 - Classification Studies
 - Employment Practices Liability
 - Medical Malpractice (Hospital and Non-Hospital)
 - Training and Communication
 - Vehicle Liability
 - Workers' Compensation and Return-to-Work
- Updates on recommendations submitted by the various subcommittees and County Counsel;
- County Equity Oversight Panel Complaint Process;
- County Counsel quarterly litigation reports;
- A review of the top paid judgments and settlements;
- Departmental Risk Management Overview presentations to Board Deputies; and,
- Announcements about various training opportunities, including training for risk management coordinators, safety officers, and return-to-work coordinators.

WORKERS' COMPENSATION AND RETURN-TO-WORK

CEO/RMB worked to support departments in a variety of ways:

- Collaborated with the Department of Human Resources to implement a Countywide Absence Management System. Implementation of the basic system was completed on August 31, 2012, and provides departments with a comprehensive leave administration tool to identify, document, and report absences, as well as track employees on limited duty status. Enhancements to the

system (identified by the Probation Department) are currently in development to make the system even more useful, particularly in the area of return-to-work.

- Provided ongoing training in the areas of workers' compensation, return-to-work/disability management, including the monitoring/management of employees on long-term absence, and long-term and short-term disability, through quarterly seminars, as well as intensive classroom training. The quarterly return-to-work seminars were attended by a total of 349 County return-to-work coordinators, managers, and human resources personnel, and the classroom training was attended by 158 participants.
- Provided guidance to several departments on how to manage employees on long-term leaves.
- Participated and provided consultation in over 120 claim reviews with County departments and third party administrators relating to workers' compensation and return-to-work issues.
 - Conducted 68 return-to-work trainings for various departments based on departmental requests and/or needs.
 - Attended 71 Interactive Process Meetings to provide expert advice on reasonable accommodation and return-to-work best practices.
 - Provided 56 letters of concurrence to enable departments to move forward with the medical separation process in accordance with Civil Service Rule 9.08(c).

LOSS CONTROL AND PREVENTION

CEO/RMB has provided risk analysis, consultative assistance to find effective solutions for root causes, and training for all departments. Targeted loss control and prevention efforts have been focused on high-risk departments. An Ergonomics Taskforce was created to identify and measure potential cost saving opportunities. Also, continued assistance was provided for the LERC subcommittees.

- Quarterly loss control and prevention meetings were attended by a total of 370 County safety officers, human resources personnel, and others with safety responsibilities. The meetings covered: *Job Hazard Analysis; Health and Safety Hazard Awareness: County Business at Unattended Properties; Workplace Violence Prevention: Case Studies, Critical Calls and Action Items; An Overview of Cal/OSHA; and Responding to Water Intrusion Problems.*
- Training on a range of health and safety topics was presented to 11 departments. The three most attended training topics were *Cal/OSHA Recordkeeping Requirements, Office Ergonomics, and Introduction to Occupational Safety and Health.*
- In addition to training, 640 consultations were provided to departments on a variety of issues, including Cal/OSHA compliance, corrective action plan development and review, health and safety, and liability.
- Provided targeted loss control and prevention efforts to high-risk departments resulting in decrease of injury and illness frequency, particularly in the Probation Department (-23.3%) and the Department of Public Health (-23.5%).

- Provided assistance to departments in preparing their FY 2011-12 Risk Exposure Cost Avoidance Plan (RECAP) Status Reports and their FY 2012-13 RECAPs.
- Provided assistance to departments in meeting several risk management-related Management Appraisal and Performance Plan goals.

RISK MANAGEMENT OPERATIONS AND CLAIMS MANAGEMENT

- Provided approximately six hours of indemnification and insurance training for the Countywide Contracting training.
- Successfully completed solicitation for Broker of Record agreements for the Commercial Insurance Program.
- Successfully completed solicitation for the SPARTA/SELIP program (insurance for small contractors and for special events).
- Successfully completed a sole source contract for the Workers' Compensation Information System.
- Successfully completed a solicitation for a Master Agreement for Risk Management Consulting Services.

RISK MANAGEMENT INSPECTOR GENERAL

- Updated training materials and manuals and, in May 2012, presented a training session that included data analysis, root cause analysis, and a workshop for developing SCAPs and CAPs.
- Participated in two separate Loss Exposure Reduction Committee subcommittees in the areas of Training and Communication and Medical Malpractice exposures. RMIG staff's knowledge of claims and their root causes contributed significantly to the development of loss exposure reduction programs within each subcommittee, including development of video blasts to communicate risk management best practices, implementation of the Patient Safety Net system in FY 2012-13, changes in wage and hour policies and procedures, and involvement in pre-litigation human resources roundtables.
- Updated the functionality of automated Countywide liability reports, allowing departments to better track high-exposure liability claims and begin development of SCAPs and CAPs as soon as practicable.

OCCUPATIONAL HEALTH PROGRAMS

- In conjunction with the Board of Supervisors' decision to consolidate the Office of Public Safety into the Sheriff's Department, expedited the processing of over 300 employee medical examinations to assist in the transfer of employees to their new department(s).
- Evaluated the Countywide Drug Free Workplace testing program protocols and procedures in regards to the usage of medical marijuana to ensure compliance with applicable Federal and State guidelines.

- In conjunction with the County of Los Angeles' Reasonable Suspicion Drug Testing Program, facilitated the testing of 14 employees suspected of being under the influence of drugs and/or alcohol (12 positive results were received) and provided line departments with guidance and/or recommendations when a positive drug screening examination was received.
- Issued a Request for Proposals (RFP) for medical service contractors.
- Evaluated several County periodic medical examinations resulting in either examination elimination or reduction in the number of examinations provided to employees.
- Evaluated expansion of the County's pre-placement drug testing program by identifying classifications which are not currently receiving pre-placement drug screening but fall within the criteria established by the County of Los Angeles' Drug Free Workplace Program.

Key Objectives

FY 2012-13

CEO/RMB provides leadership and direction for the County's risk management programs. Key objectives for FY 2012-13 include:

- Enhancing the Countywide strategic plan emphasis on risk management while continuing the emphasis on key areas of workers' compensation cost reduction, vehicle usage and liability, and employment practices;
- Reviewing and implementing risk management best practices and improvements recommended by the Legal Exposure Reduction Committee;
- Improving collaboration between CEO, County Counsel, and departmental risk management staff;
- Improving the monitoring of Corrective Action Plans and evaluating their effectiveness, including notification to the Board about any CAPs considered to be insufficient or missing critical information;
- Encouraging department executives to gain a better understanding of their unique risks and exposures (through Risk Exposure Cost Avoidance Plans and Risk Management Overview presentations for the Board Deputies);
- Developing better methods of sharing best practices and lessons learned by leveraging technology (training videos, intranet, etc.);
- Focusing concentrated preventative efforts on "cost driver" issues in key departments;
- Updating technology systems such as the workers' compensation claims administration system and the liability claims administration system;
- Developing better cause coding methodologies to improve data analysis capabilities;
- Creating claims-related dashboards to improve and simplify trend analysis;
- Actively participating in Statewide work groups to guide the development of rules and regulations relating to the implementation of workers' compensation legislative reforms;
- Implementing provisions included in the workers' compensation legislative reforms;
- Improving the electronic Absence Management System to enhance functionality for return-to-work and disability management;

- Completing the Request for Proposals process for workers' compensation claims administration services; and,
- Implementing a campaign to promote the early return-to-work program.

LEGAL EXPOSURE REDUCTION COMMITTEE

The Legal Exposure Reduction Committee continues its activities and has various subcommittees which are addressing significant areas of risk. These subcommittees include:

- Workers' Compensation and Return-to-Work*
- Vehicle Liability*
- Employment Practices Liability*
- Classification Studies
- Medical Malpractice (Hospitals)
- Medical Malpractice (Non-Hospitals)
- Training and Communication

* These subcommittees are focused on County Strategic Plan initiatives.

Primary goals for FY 2012-13 are to improve the effectiveness of LERC, create a streamlined process for evaluating and implementing recommendations, and using LERC as a vehicle for discussing and disseminating best practices.

WORKERS' COMPENSATION AND RETURN-TO-WORK

RETURN-TO-WORK

Various trainings and seminars are offered throughout the year to promote consistent disability management practices within the County. In FY 2012-13, CEO/RMB will continue to focus on:

- Monitoring departmental progress and usage of the Absence Management System as it relates return-to-work issues and limited duty assignments.
- Monitoring employees on the long-term leave of absence reports and providing guidance to the departments on how to address long-term leave issues through outreach and training.
- Working collaboratively with the Department of Human Resources to streamline the process and strengthen the placement of employees with disabilities that cannot otherwise be accommodated in their own department.

MEDICAL MANAGEMENT PROGRAM

In FY 2011-12, the workers' compensation program was billed over \$534 million in medical charges. These charges were reduced by approximately \$395 million (almost 74%) in compliance with medical management cost avoidance platforms.

On October 1, 2011, the County implemented the workers' compensation Pharmacy Benefit Management network (PBM) to improve the delivery of appropriate medication to injured workers and manage costs. A greater PBM penetration rate allows for the application of cost avoidance platforms on the workers' compensation program. A key component of the PBM is funneling costly single-source prescriptions to safe, less costly generic brands. In the third quarter of calendar year 2012, single-source brand prescriptions accounted for 28.4 percent of all prescriptions and 67.6 percent of total costs. One PBM program goal is to leverage home delivery to facilitate generic usage and allow injured workers the benefit of easy delivery of medications. PBM data for the first quarter of FY 2012-13 reflects the following:

- Network penetration rate of 85.9 percent;
- Home Delivery rate of 12.2 percent;
- Generic prescription utilization increase of 7.8 percent from program implementation; and
- Single source prescription utilization reduction of 16.2 percent from program implementation.

CEO/RMB staff believes that as the PBM matures, additional benefits and cost avoidance attributed to step-therapy, which encourages the use of safe and effective step-one medications (usually generic) before trying more expensive brand names, and physician outreach programs, will be experienced.

WORKERS' COMPENSATION FIRE DEPARTMENT INITIATIVE

During FY 2011-12, the Fire Department, Local 1014, County Counsel, and CEO partnered to establish the infrastructure required to implement a workers' compensation dispute resolution process. The dispute resolution process is designed to improve labor-management relations, organizational effectiveness, reduce the number of workers' compensation disputes between the County and covered employees, expedite benefit delivery, and enhance return-to-work results. This new process will begin for covered employees and retirees on January 1, 2013.

On August 1, 2012, the Fire Department implemented a formalized Limited Duty Assignment Desk to identify organizational resource needs caused by temporary emergent situations and meet such needs with employees on temporary work restriction. The objective of the program is to return injured workers to meaningful work as soon as possible, improve organizational effectiveness, track the status of employees performing in modified duty assignments, and leverage early return-to-work efforts to manage costs associated with time-loss workers' compensation benefits.

CEO/RMB believes that the Fire Department Initiative is well designed; therefore, in collaboration with the Fire Department, CEO/RMB will evaluate the impact and results of the Initiative. Additionally, CEO/RMB will assess the potential implementation of similar initiatives in other County departments.

LEGISLATIVE AND REGULATORY

CEO and County Counsel continue to actively work with public and private employers and associations, as well as with appropriate State of California administrative and legislative staff, to prevent the erosion of the workers' compensation reforms of FY 2003-04, and advocate that system benefit increases are balanced with

real reductions in system cost drivers. This includes evaluating proposed regulations and recommending language to accomplish statutory intent in a reasonable manner.

Recently, the California State Association of Counties recognized CEO/RMB staff with a 2012 Circle of Service Award for key analysis and comment on the complicated workers' compensation reform package.

Looking ahead to the FY 2013-14 legislative session, CEO expects the administration to be focused on implementation of the comprehensive package of benefit increases and reform elements passed and signed in 2012 (SB 863) through the development and adoption of necessary rules and regulations. Among the numerous reform elements included in SB 863 are the following:

- New rules requiring more detailed and relevant justification for the filing of liens on contested medical issues or medical fee disputes. Also, a modest lien filing fee will be applied to discourage the filing of frivolous lien claims.
- Establishing fee schedules for copy services, medical interpreters, and home health care services. Also, new regulations pertaining to home health care services to control utilization and prevent unlimited, retroactive employer liability for home health care benefits.
- Establishment of independent medical review and independent bill review processes to resolve disputes related to medical utilization and medical fees. Medical disputes will be resolved in a non-litigious manner by medical review panels.
- Updated regulations pertaining to an employer's use of a Medical Provider Network (MPN) that will enable the employer to better control medical costs by containing treatment within an approved MPN.

CEO is actively involved, along with County Counsel, in reviewing proposed rules and suggesting amendments to ensure smooth implementation.

LOSS CONTROL AND PREVENTION

In FY 2012-13, CEO/RMB will:

- Evaluate the expansion/revision of the *Introduction to Occupational Safety and Health* series to incorporate additional topics and current issues, and develop supporting programs and training materials.
- Implement recommendations developed by the Ergonomics Taskforce to achieve cost-effective outcomes and a reduction in workers' compensation costs related to ergonomic evaluations. Probation, Children and Family Services, and Public Social Services will participate in the ergonomics pilot project, which includes new ordering procedures, standardized evaluation procedures, and standardized ergonomic equipment product lists. Potential cost savings from the pilot project will be evaluated by the end of FY 2012-13, and implementation in other departments will follow.
- Provide targeted loss control and prevention resources to key departments to help improve compliance with risk management best practices and safety and health regulations, with a goal of reducing the frequency and severity of employee injuries or illnesses. Seven departments (Children and Family Services, Fire, Health Services, Probation, Public Social Services, Public Works, and Sheriff) account for over 80 percent of the County's claim frequency and expense. Efforts will include:

1) review and audit of existing loss control programs, 2) determination/identification of additional required loss control programs, 3) analysis/trending of loss data, and 4) development of recommendations to minimize the effects of cost drivers.

RISK MANAGEMENT OPERATIONS AND CLAIMS MANAGEMENT

In FY 2012-13, CEO/RMB will:

- Complete an RFP for workers' compensation third party administrators.
- Research, develop, and draft an RFP for the County's new workers' compensation claims information system.
- Complete an RFP process for occupational health services and mobile medical examinations.
- Complete an RFP process for liability claims third party administrator services.

RISK MANAGEMENT INSPECTOR GENERAL

In FY 2012-13, CEO/RMB will:

- Implement a data aggregation dashboard which will present real-time liability and workers' compensation data at the department, cluster, and Countywide level. This will allow departments to analyze new claims and trends on a daily basis and proactively manage exposures.
- Track and report on the efficacy of Corrective Action Plans by means of:
 - A CAP/SCAP tracking and compliance tool which will electronically capture CAP/SCAP information and supporting documents, allowing RMIG to follow up on individual corrective action plan steps on a real-time and automated basis.
 - A CAP/SCAP self-audit and verification procedure which increases departments' accountability by requiring that they self-audit and report the exact status of each Corrective Action Plan step beginning six months after the CAP/SCAP is approved. This also includes an annual verification and sign-off by the Department Head for all CAPs/SCAPs in the verification period.
 - Strengthen CAP/SCAP reviews by reporting to the Board in the event CEO/RMB believes the CAPs/SCAPs are inadequate.
- Revise Root Cause Analysis and Corrective Action Plan training modules to reflect new procedures arising from the tracking and compliance tool.

OCCUPATIONAL HEALTH PROGRAMS

In FY 2012-13, CEO/RMB will:

- Actively participate in department outreach activities to better advertise the processes and procedures as related to various Occupational Health Programs, such as reasonable suspicion testing protocols, Department of Transportation drug and alcohol testing protocols, and medical and psychological re-evaluation procedures.

- Update the Countywide drug testing policy to include additional classifications that have been determined to be safety-sensitive.
- Transition from existing record storage vendor to new vendor, involving an extensive amount of historical medical files.
- Complete the selection of medical service contractors (renewal of contracts).
- Develop a computerized color vision test for safety applicants.
- Issue an RFP for drug testing services (renewal).
- In partnership with the Fire Department, eliminate unnecessary and/or harmful medical testing components of the wellness program.

RISK FINANCING

In FY 2012-13, CEO/RMB will:

- Discuss, inform, and educate department stakeholders and Board representatives on the benefits of liability risk financing, including establishing a funded program based on actuarial calculations of existing liabilities.

Statistics

All Claims Frequency and Expense Summary.....	Exhibit A
Workers' Compensation Claim Frequency and Expense Summary.....	Exhibit B
State of California Labor Code 4850 and Salary Continuation Expense Summary	Exhibit C
Vehicle Liability Claim Frequency and Expense Summary.	Exhibit D
General Liability Claim Frequency and Expense Summary	Exhibit E
Medical Malpractice Claim Frequency and Expense Summary	Exhibit F
RECAP/Management Appraisal and Performance Plan Goals.....	Exhibit G

EXHIBIT A**ALL CLAIMS FREQUENCY AND EXPENSE SUMMARY**

Department	FY 2009-10		FY 2010-11		FY 2011-12	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	3	\$21,761	2	\$17,833	0	\$0
Agricultural Commissioner/Weights and Measures	45	\$3,712,518	43	\$950,164	56	\$753,824
Alternate Public Defender	22	\$198,774	11	\$108,491	6	\$214,469
Animal Care and Control	133	\$1,116,261	173	\$1,006,599	127	\$1,700,575
Assessor	56	\$1,671,536	40	\$1,395,301	56	\$1,081,561
Auditor-Controller	20	\$500,048	23	\$466,569	25	\$360,678
Beaches and Harbors	45	\$479,617	47	\$460,556	27	\$1,240,506
Board of Supervisors	37	\$902,811	29	\$1,701,285	25	\$1,725,593
Chief Executive Office	24	\$1,936,467	46	\$1,904,447	37	\$10,597,597
Chief Information Office	0	\$8,590	0	\$2,203	4	\$8,352
Child Support Services	118	\$3,309,102	148	\$3,885,431	159	\$4,741,710
Children and Family Services	507	\$21,605,877	538	\$22,503,464	582	\$21,553,546
Community and Senior Services	26	\$2,553,286	54	\$1,639,382	38	\$2,064,001
Consumer Affairs	1	\$56,503	1	\$83,571	1	\$16,125
Coroner	32	\$864,752	39	\$1,057,950	33	\$836,901
County Counsel	11	\$424,596	27	\$617,868	10	\$576,235
District Attorney	139	\$5,291,714	143	\$4,985,261	182	\$5,682,750
Fire	1,490	\$60,135,029	1,555	\$67,954,429	1,455	\$71,910,990
Health Services	1,668	\$61,815,430	2,148	\$65,150,250	1,965	\$70,361,004
Human Relations Commission	0	\$34,328	0	\$5,891	0	\$9,425
Human Resources	7	\$184,175	13	\$106,835	9	\$187,098
Internal Services	156	\$4,942,442	173	\$4,951,220	157	\$4,679,302
LACERA	17	\$407,093	12	\$410,453	12	\$574,455
Mental Health	391	\$6,624,829	270	\$7,829,500	294	\$7,923,556
Military and Veterans Affairs	2	\$19,671	0	\$17,686	5	\$24,415
Museum of Art	4	\$117,720	7	\$141,551	4	\$67,249
Museum of Natural History	2	\$158,231	1	\$423,118	0	\$233,503
Non-Jurisdictional	304	\$279,226	383	\$467,080	539	\$3,646,309
Office of Public Safety	215	\$5,301,475	171	\$3,630,736	5	\$1,666,404
Parks and Recreation	205	\$3,722,766	343	\$5,175,622	422	\$5,252,975
Pending Assignment	18	-\$90	16	\$0	5	\$0
Probation	907	\$35,682,746	1,014	\$40,755,045	796	\$38,075,783
Public Defender	55	\$1,497,804	61	\$1,553,407	64	\$1,100,922
Public Health	244	\$7,249,627	258	\$8,472,894	210	\$8,458,734
Public Library	50	\$565,873	75	\$839,000	68	\$855,576
Public Social Services	896	\$35,940,190	976	\$39,047,217	1,054	\$36,499,088
Public Works	971	\$13,274,940	1,029	\$14,543,465	1,021	\$24,832,153
Regional Planning	18	\$308,091	33	\$519,513	15	\$898,996
Registrar-Recorder/County Clerk	84	\$3,055,986	106	\$2,859,205	69	\$2,876,125
Sheriff	6,955	\$152,268,900	6,688	\$161,093,201	5,785	\$167,521,124
Superior Court	257	\$9,660,397	293	\$10,522,879	294	\$10,584,102
Treasurer and Tax Collector	85	\$1,370,285	116	\$1,189,383	73	\$1,291,877
TOTAL⁴	16,033	\$449,271,377	16,571	\$480,445,956	15,423	\$512,685,589

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year regardless of occurrence date plus amounts paid for workers' compensation from the Workers' Compensation Status Report. Amount Paid includes indemnity and legal fees and expenses. Does not include RBNP or IBNR reserves. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments. Data does not include unemployment costs.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information does include County Counsel tort files. County Counsel expenditures are included.
3. Amounts valued as of June 30, 2012.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT B

WORKERS' COMPENSATION CLAIM FREQUENCY AND EXPENSE SUMMARY
FY 2009-10 THROUGH FY 2011-12

Department	FY 2009-10		FY 2010-11		FY 2011-12	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	3	\$21,761	2	\$17,833	0	\$0
Agricultural Commissioner/Weights and Measures	31	\$620,750	25	\$856,735	40	\$651,621
Alternate Public Defender	15	\$73,643	7	\$65,711	4	\$198,843
Animal Care and Control	99	\$788,985	132	\$616,515	99	\$726,277
Assessor	36	\$1,313,069	27	\$973,482	35	\$847,609
Auditor-Controller	7	\$215,635	13	\$201,350	15	\$324,678
Beaches and Harbors	13	\$387,445	25	\$377,712	18	\$622,327
Board of Supervisors	13	\$119,901	14	\$193,563	9	\$641,617
Chief Executive Office	7	\$348,429	9	\$324,847	13	\$339,216
Chief Information Office	0	\$8,590	0	\$2,203	4	\$8,352
Child Support Services	101	\$2,751,958	124	\$3,585,970	136	\$4,207,182
Children and Family Services	368	\$15,931,483	382	\$15,857,097	383	\$15,417,133
Community and Senior Services	19	\$704,495	33	\$910,543	10	\$942,453
Consumer Affairs	1	\$56,503	1	\$77,174	0	\$16,125
Coroner	25	\$689,675	15	\$726,074	19	\$737,028
County Counsel	6	\$364,037	16	\$592,051	9	\$548,875
District Attorney	74	\$4,141,258	74	\$3,598,160	82	\$3,919,214
Fire	1,326	\$37,617,412	1,383	\$42,269,729	1,328	\$47,672,830
Health Services	1,279	\$39,596,207	1,369	\$40,498,620	1,431	\$46,589,989
Human Relations Commission	0	\$34,328	0	\$5,891	0	\$9,425
Human Resources	5	\$117,300	13	\$84,458	8	\$156,879
Internal Services	109	\$4,544,192	104	\$4,205,171	98	\$4,201,006
LACERA	17	\$398,406	12	\$369,578	12	\$563,519
Mental Health	296	\$5,346,415	195	\$5,381,008	213	\$6,717,114
Military and Veterans Affairs	2	\$19,671	0	\$17,686	4	\$10,834
Museum of Art	4	\$115,529	6	\$112,960	3	\$67,249
Museum of Natural History	2	\$114,024	0	\$243,412	0	\$128,228
Non-Jurisdictional	0	\$0	0	\$0	0	\$0
Office of Public Safety ⁴	44	\$3,409,182	11	\$3,111,351	3	\$2,969,232
Parks and Recreation	135	\$2,858,631	159	\$2,701,721	202	\$3,920,887
Pending Assignment	4	\$0	5	\$0	4	\$0
Probation	846	\$23,865,566	946	\$26,646,815	727	\$27,328,288
Public Defender	35	\$783,073	38	\$1,081,159	41	\$747,269
Public Health	206	\$6,018,834	223	\$7,357,882	169	\$6,884,337
Public Library	42	\$560,133	62	\$806,013	58	\$824,764
Public Social Services	846	\$34,155,932	921	\$36,624,041	1,014	\$34,510,222
Public Works	220	\$5,271,514	254	\$7,284,318	258	\$5,420,225
Regional Planning	1	\$56,376	8	\$279,333	1	\$199,398
Registrar-Recorder/County Clerk	74	\$2,714,884	84	\$2,569,914	59	\$2,584,556
Sheriff	4,042	\$91,766,545	4,235	\$92,709,480	3,938	\$104,439,147
Superior Court	257	\$9,089,322	293	\$9,745,232	294	\$10,124,898
Treasurer and Tax Collector	19	\$1,147,367	14	\$979,488	25	\$1,050,095
TOTAL	10,629	\$298,138,460	11,234	\$314,062,280	10,766	\$337,268,942

1. Amount Paid is the total of the transactions paid for workers' compensation in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves. Workers' compensation paid does not include State of California Labor Code 4850 or salary continuation payments.
2. Amounts shown as listed on the Workers' Compensation Status Report.
3. Superior Court expenses are billed to the State of California; these expenses are not controllable by the County as these are State of California employees.
4. The Office of Public Safety was consolidated with the Sheriff's Department in FY 2010-11.

EXHIBIT C

**STATE LABOR CODE 4850 AND SALARY CONTINUATION EXPENSE SUMMARY
FY 2009-10 THROUGH FY 2011-12**

Department	FY 2009-10	FY 2010-11	FY 2011-12
	Amount Paid ¹	Amount Paid ¹	Amount Paid ¹
Affirmative Action Compliance	\$0	\$0	\$0
Agricultural Commissioner/Weights and Measures	\$74,258	\$33,548	\$33,444
Alternate Public Defender	\$18,201	\$0	\$9,682
Animal Care and Control	\$55,556	\$18,407	\$96,559
Assessor	\$43,261	\$80,608	\$46,326
Auditor-Controller	\$4,026	\$364	\$8,195
Beaches and Harbors	\$2,138	\$20,484	\$40,962
Board of Supervisors	\$0	\$211	\$6,161
Chief Executive Office	\$37,971	\$7,199	\$41,823
Chief Information Office	\$0	\$0	\$0
Child Support Services	\$79,838	\$154,000	\$138,585
Children and Family Services	\$779,268	\$973,899	\$572,217
Community and Senior Services	\$0	\$22,015	\$51,626
Consumer Affairs	\$0	\$6,398	\$0
Coroner	\$43,872	\$37,448	\$2,914
County Counsel	\$0	\$0	\$13,300
District Attorney	\$367,316	\$128,761	\$207,950
Fire	\$18,727,163	\$20,252,025	\$21,617,102
Health Services	\$1,875,701	\$2,212,400	\$2,247,793
Human Relations Commission	\$0	\$0	\$0
Human Resources	\$24,633	\$7,845	\$13,561
Internal Services	\$248,419	\$102,930	\$124,647
LACERA	\$8,687	\$40,875	\$10,936
Mental Health	\$235,611	\$404,520	\$301,245
Military and Veterans Affairs	\$0	\$0	\$13,581
Museum of Art	\$2,191	\$28,591	\$0
Museum of Natural History	\$1,186	\$0	\$0
Non-Jurisdictional	\$0	\$68,956	\$0
Office of Public Safety	\$451,682	\$0	\$0
Parks and Recreation	\$91,481	\$155,348	\$163,232
Pending Assignment	\$0	\$0	\$0
Probation	\$8,679,089	\$10,193,650	\$8,162,015
Public Defender	\$119,535	\$105,891	\$17,819
Public Health	\$374,536	\$297,512	\$356,370
Public Library	\$0	\$1,271	\$19,812
Public Social Services	\$1,319,264	\$1,514,014	\$1,262,485
Public Works	\$397,677	\$318,555	\$379,842
Regional Planning	\$0	\$0	\$0
Registrar-Recorder/County Clerk	\$150,435	\$81,365	\$98,586
Sheriff	\$23,069,367	\$22,027,158	\$24,136,854
Superior Court	\$570,075	\$777,647	\$459,204
Treasurer and Tax Collector	\$51,200	\$46,729	\$34,078
TOTAL	\$57,903,637	\$60,120,620	\$60,688,906

1. Amount Paid is as reported by the Auditor-Controller based on the sum of 70% IA, 100% IA, and MegalA expense.

EXHIBIT D

**VEHICLE LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY
FY 2009-10 THROUGH FY 2011-12**

Department	FY 2009-10		FY 2010-11		FY 2011-12	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	6	\$2,999,174	9	\$16,930	7	\$22,889
Alternate Public Defender	1	\$0	0	\$0	0	\$0
Animal Care and Control	10	\$81,397	13	\$19,764	3	\$32,546
Assessor	2	\$15,949	2	\$41,374	5	\$5,612
Auditor-Controller	2	\$17,781	0	\$935	0	\$0
Beaches and Harbors	4	\$24,032	1	\$44,260	2	\$346,579
Board of Supervisors	13	\$52,319	3	\$86,626	5	\$5,295
Chief Executive Office	0	\$0	9	\$5,769	4	\$12,101
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	0	\$0	0	\$0	2	\$0
Children and Family Services	33	\$182,526	62	\$323,400	58	\$194,325
Community and Senior Services	1	\$745	2	\$12,081	2	\$3,560
Consumer Affairs	0	\$0	0	\$0	0	\$0
Coroner	1	\$4,017	13	\$24,659	2	\$6,941
County Counsel	2	\$0	1	\$0	0	\$0
District Attorney	10	\$42,603	8	\$26,121	10	\$116,660
Fire	83	\$414,706	113	\$3,727,756	84	\$517,746
Health Services	14	\$282,156	5	\$143,623	8	\$44,039
Human Relations Commission	0	\$0	0	\$0	0	\$0
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	29	\$58,570	36	\$75,419	26	\$119,000
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	11	\$137,145	30	\$1,223,596	18	\$51,390
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	0	\$0	0	\$0
Non-Jurisdictional	87	\$66,110	85	\$94,513	109	\$40,124
Office of Public Safety	13	\$85,153	0	\$132,079	0	\$123,208
Parks and Recreation	20	\$441,029	17	\$1,495,699	26	\$151,595
Pending Assignment	7	-\$90	8	\$0	1	\$0
Probation	10	\$75,398	9	\$54,687	15	\$164,802
Public Defender	3	\$559	9	\$19,105	3	\$49,821
Public Health	22	\$145,995	13	\$41,848	11	\$72,717
Public Library	7	\$5,740	7	\$7,718	4	\$11,000
Public Social Services	7	\$88,589	6	\$89,822	7	\$20,534
Public Works	96	\$1,065,751	108	\$586,694	89	\$1,020,027
Regional Planning	0	\$0	5	\$6,069	0	\$8,121
Registrar-Recorder/County Clerk	2	\$0	4	\$12,755	0	\$0
Sheriff	450	\$8,461,637	412	\$7,946,924	441	\$7,263,309
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	0	\$0
TOTAL⁴	942	\$14,748,991	973	\$16,260,226	942	\$10,403,941

1. Amount Paid is the total of the transactions paid for vehicle liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts do not include non-insured and non-third party vehicle losses which are directly paid by the departments. Amounts valued as of June 30, 2012.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT E**GENERAL LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY
FY 2009-10 THROUGH FY 2011-12**

Department	FY 2009-10		FY 2010-11		FY 2011-12	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	8	\$18,336	9	\$42,950	9	\$45,870
Alternate Public Defender	6	\$106,930	4	\$42,780	2	\$5,944
Animal Care and Control	24	\$190,323	28	\$351,913	25	\$845,193
Assessor	18	\$299,257	11	\$299,837	16	\$182,014
Auditor-Controller	11	\$262,606	10	\$263,920	10	\$27,805
Beaches and Harbors	28	\$66,002	21	\$18,100	7	\$230,638
Board of Supervisors	11	\$730,591	12	\$1,420,886	11	\$1,072,520
Chief Executive Office	17	\$1,550,067	28	\$1,566,633	20	\$10,204,457
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	17	\$477,306	24	\$145,462	21	\$395,943
Children and Family Services	104	\$4,712,600	94	\$5,349,068	141	\$5,362,973
Community and Senior Services	6	\$1,848,046	19	\$694,743	25	\$1,061,593
Consumer Affairs	0	\$0	0	\$0	1	\$0
Coroner	4	\$104,585	8	\$269,306	10	\$89,848
County Counsel	3	\$60,559	10	\$25,818	1	\$14,060
District Attorney	55	\$740,537	61	\$1,232,219	90	\$1,438,926
Fire	73	\$2,714,224	52	\$1,590,766	31	\$1,834,015
Health Services	153	\$4,685,844	538 ⁵	\$5,228,857	273	\$7,094,900
Human Relations Commission	0	\$0	0	\$0	0	\$0
Human Resources	2	\$42,242	0	\$14,532	1	\$16,658
Internal Services	18	\$91,261	33	\$567,701	33	\$234,649
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	54	\$870,460	27	\$762,769	43	\$819,433
Military and Veterans Affairs	0	\$0	0	\$0	1	\$0
Museum of Art	0	\$0	1	\$0	1	\$0
Museum of Natural History	0	\$43,021	1	\$179,706	0	\$105,275
Non-Jurisdictional	201	\$213,116	266	\$298,079	391	\$636,953
Office of Public Safety	158	\$1,356,947	171	\$387,305	1	\$1,543,096
Parks and Recreation	50	\$331,625	167 ⁶	\$822,855	194	\$1,017,261
Pending Assignment	7	\$0	3	\$0	0	\$0
Probation	51	\$3,062,693	57	\$3,859,893	52	\$2,413,945
Public Defender	17	\$594,637	14	\$347,252	20	\$286,013
Public Health	13	\$688,890	16	\$757,382	22	\$1,102,123
Public Library	1	\$0	6	\$23,998	6	\$0
Public Social Services	40	\$376,405	49	\$819,340	33	\$705,847
Public Works	655	\$6,539,998	667	\$6,353,899	674	\$18,012,059
Regional Planning	17	\$251,715	20	\$234,112	14	\$691,477
Registrar-Recorder/County Clerk	8	\$190,667	18	\$195,172	10	\$192,983
Sheriff	2,446	\$28,895,439	2,031 ⁵	\$38,310,059	1,394	\$31,515,282
Superior Court	0	\$1,000	0	\$0	0	\$0
Treasurer and Tax Collector	66	\$171,718	102	\$163,166	48	\$207,704
TOTAL⁴	4,207	\$62,289,647	4,077	\$72,640,476	3,380	\$89,407,457

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2012.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.
5. Over 400 claims for Health Services and the Sheriff's Department involve billing disputes. This is a new type of claim.
6. There were over 85 claims involving an environmental hazard at the same location.

EXHIBIT F

**MEDICAL MALPRACTICE CLAIM FREQUENCY AND EXPENSE SUMMARY
FY 2009-10 THROUGH FY 2011-12**

Department	FY 2009-10		FY 2010-11		FY 2011-12	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
DHS – Ambulatory Care Network	42	\$371,529	36	\$620,619	33	\$826,421
DHS – Harbor-UCLA Medical Center	59	\$1,930,501	74	\$8,700,319	87	\$8,311,075
DHS – LAC+USC Medical Center	75	\$5,184,415	103	\$4,922,638	108	\$1,980,075
DHS – Olive View-UCLA Medical Center	38	\$7,715,925	40	\$1,944,208	33	\$439,872
DHS – Rancho Los Amigos	7	\$173,152	13	\$878,966	3	\$2,826,840
Health Services Subtotal⁴	201	\$15,375,522	239	\$17,066,750	253	\$14,384,283
Children and Family Services	2	\$0	1	\$0	0	\$6,898
Community and Senior Services	0	\$0	0	\$0	1	\$4,769
Coroner	2	\$22,603	4	\$462	2	\$170
Fire	8	\$661,524	7	\$114,152	12	\$269,297
Mental Health	30	\$35,198	18	\$57,606	20	\$34,374
Non-Jurisdictional	16	\$0	23	\$5,532	39	\$0
Office of Public Safety	0	-\$1,489	0	\$0	1	\$100
Probation	0	\$0	2	\$0	2	\$6,733
Public Health	2	\$21,372	6	\$18,270	8	\$43,187
Public Social Services	3	\$0	0	\$0	0	\$0
Sheriff	17	\$75,912	10	\$99,581	12	\$166,532
TOTAL⁴	255	\$16,190,642	288	\$17,362,354	335	\$14,916,343

1. Amount Paid is the total of the transactions paid for medical malpractice claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2012.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT G**RECAP/MANAGEMENT APPRAISAL AND PERFORMANCE PLAN GOALS**

Risk Exposure Cost Avoidance Plans (RECAPs) and Department Head Management Appraisal and Performance Plan (MAPP) goals remain key tools for ensuring departmental focus on risk management issues. Development of these plans requires departments to study their risks, identify areas for improvement, and develop strategic action plans to lead to improved performance.

Accomplishments reported by departments for FY 2011-12 include:

- Developed and implemented an Employee Orientation Health and Safety Guidelines Handbook;
- Established a tracking system for vehicle accidents and repairs;
- Provided training on ergonomics and field operations;
- Established quarterly meetings with branch/division managers to discuss risk issues within the department;
- Implemented a "How Am I Driving?" program in the department;
- Met with managers and supervisors to identify and assess risk factors and human resources issues;
- Provided ergonomic tips and information on Auditor-Controller paystub viewer;
- Identified top high-risk areas and developed mitigation plans to reduce risk;
- Reviewed Corrective Action Plan Applicability Notices and evaluated impact on the department;
- Completed online sexual harassment training for all staff;
- Developed monthly risk management roundtable meetings to improve communication within the department;
- Developed a department-wide safety committee;
- Implemented a departmental safety awareness campaign titled "Play It Safe;"
- Upgraded Cal/OSHA recordkeeping capabilities;
- Conducted a job hazard analysis and noise monitoring in key areas;
- Developed preventive action plans based on lessons learned and implemented mitigation measures;
- Distributed periodic risk management alerts to improve awareness;
- Upgraded existing programs for addressing respiratory protections and aerosol transmissible diseases;
- Developed a departmental risk management intranet page;
- Enhanced capabilities of the return-to-work unit by adding staff and providing training for all staff members;
- Created a vehicle damage claim review board to evaluate mileage permittee claims;
- Modified existing claim dashboards to improve effectiveness;

- Implemented a workstation evaluation checklist for conducting and documenting ergonomic evaluations;
- Identified and mitigated Americans with Disabilities Act barriers; and,
- Added a risk management section to periodic departmental newsletter.

Initiatives planned by departments for FY 2012-13 include:

- Conducting roundtable discussions for managers and supervisors regarding human resources issues;
- Completing a safety/risk assessment inventory and prioritizing high-risk areas;
- Implementing a safety communication system to ensure awareness of all safety programs;
- Establishing a risk management performance multi-disciplinary team to identify, assess, and propose corrective actions on risk issues;
- Assessing the feasibility of creating a consolidated risk management unit to include all risk management functions;
- Establishing departmental safety indices to assist with benchmarking;
- Providing training for managers and supervisors on effective supervision and leadership;
- Enhancing the new employee orientation program;
- Establishing a risk management award program to recognize top performing locations;
- Enhancing return-to-work procedures and implementing “best practices;”
- Improving workers’ compensation coding methods to track claims at the site location level;
- Implementing the Absence Management System;
- Organizing a departmental ergonomics committee and standardizing procedures related to ergonomic evaluations and equipment;
- Conducting ergonomic evaluations at all workstations;
- Developing a standardized list for the procurement of ergonomic equipment;
- Implementing a pilot program to evaluate stretch-break software to reduce ergonomic claims;
- Implementing the use of hand carts to minimize strains;
- Providing defensive driver training for high frequency drivers;
- Installing global positioning systems in vehicles to better monitor vehicle use;
- Implementing the Department of Motor Vehicles Pull Notice Program;
- Installing back-up sensors on County vehicles;
- Creating a vehicle accident review committee;
- Improving procedures for processing vehicle property damage claims;
- Providing training on conflict resolution for staff with field exposures;

- Improving safety training for volunteers;
- Disseminating risk management messages through the intranet and through “pop-up” pages; and,
- Developing and providing specialized slip, trip and fall training.